

## SENATE AMENDMENTS TO SENATE BILL 66

By COMMITTEE ON FINANCE AND REVENUE

March 9

1 On page 1 of the printed bill, line 2, after the second semicolon delete the rest of the line and  
2 line 3 and insert “amending ORS 291.002, 291.201, 426.506, 446.533, 456.579, 468B.455, 541.378 and  
3 757.612; repealing ORS 291.230 and 291.280; appropriating money; and declaring an emergency.”.

4 On page 2, delete line 34 and insert:

5 “**SECTION 7.** ORS 426.506 is amended to read:

6 “426.506. (1) There is created in the State Treasury, separate and distinct from the General  
7 Fund, the Community Mental Health Housing Fund. All earnings on investments of moneys in the  
8 Community Mental Health Housing Fund shall accrue to the fund. Interest earned on moneys in the  
9 fund shall be credited to the fund. All moneys in the fund are continuously appropriated to the De-  
10 partment of Human Services to carry out the provisions of ORS 426.504.

11 “(2) The Community Mental Health Housing Fund shall be administered by the department to  
12 provide housing for chronically mentally ill persons. As used in this subsection, ‘housing’ may in-  
13 clude acquisition, maintenance, repair, furnishings and equipment.

14 “(3)(a) There is established within the Community Mental Health Housing Fund a Community  
15 Housing Trust Account. **With approval of the State Treasurer and upon request of the Director**  
16 **of Human Services, moneys in the account may be invested as provided in ORS 293.701 to**  
17 **293.820.**

18 “(b) Notwithstanding the provisions of ORS 270.150, the department shall deposit into the  
19 **Community Housing Trust** Account the proceeds, less costs to the state, received by the depart-  
20 ment from the sale of F. H. Dammasch State Hospital property under ORS 426.508. The department  
21 may expend, for the purposes set forth in ORS 426.504, any earnings credited to the account, in-  
22 cluding any interest earned on moneys deposited in the account, and up to five percent of the sale  
23 proceeds initially credited to the account by the Oregon Department of Administrative Services. At  
24 least 95 percent of the sale proceeds shall remain in the account in perpetuity. Proceeds deposited  
25 in the account may not be commingled with proceeds from the sale of any surplus real property  
26 owned, operated or controlled by the Department of Human Services and used as a state training  
27 center.

28 “[b] (c) Interest earned on moneys in the Community Housing Trust Account may be expended  
29 in the following manner:

30 “(A) Seventy percent of interest earned on deposits in the account shall be expended for com-  
31 munity housing purposes; and

32 “(B) Thirty percent of interest earned on deposits in the account shall be expended for institu-  
33 tional housing purposes.

34 “[c] (d) Interest earned on deposits in the **Community Housing Trust** Account shall not be  
35 used to support operating expenses of the department.

1 “(4) The Community Mental Health Housing Fund shall consist of:  
2 “(a) Moneys appropriated to the fund by the Legislative Assembly;  
3 “(b) Sale proceeds and earnings from the account under subsection (3) of this section;  
4 “(c) Proceeds from the sale, transfer or lease of any surplus real property owned, operated or  
5 controlled by the department and used as community housing;  
6 “(d) Moneys reallocated from other areas of the department’s budget;  
7 “(e) Interest and earnings credited to the fund; and  
8 “(f) Gifts of money or other property from any source, to be used for the purposes of developing  
9 housing for chronically mentally ill persons.  
10 “(5) The department shall adopt policies:  
11 “(a) To establish priorities for the use of moneys in the Community Mental Health Housing Fund  
12 for the sole purpose of developing housing for chronically mentally ill persons;  
13 “(b) To match public and private moneys available from other sources for developing housing for  
14 chronically mentally ill persons; and  
15 “(c) To administer the fund in a manner that will not exceed the State Treasury’s maximum cost  
16 per transaction.  
17 “(6) The Department of Human Services shall collaborate with the Housing and Community  
18 Services Department to ensure the highest return and best value for community housing from the  
19 Community Mental Health Housing Fund.  
20 “(7) The Department of Human Services shall provide a report of revenues to and expenditures  
21 from the Community Mental Health Housing Fund as part of its budget submission to the Governor  
22 and Legislative Assembly under ORS chapter 291.  
23 **“SECTION 8. (1) The Housing and Community Services Department Electricity Public**  
24 **Purpose Charge Fund is established in the State Treasury, separate and distinct from the**  
25 **General Fund. Interest earned by the Housing and Community Services Department Elec-**  
26 **tricity Public Purpose Charge Fund shall be credited to the fund. Moneys in the fund are**  
27 **continuously appropriated to the Housing and Community Services Department to be used**  
28 **for purposes specified in ORS 757.612 (3)(b)(D).**  
29 **“(2) The Housing and Community Services Department Low-Income Electric Bill Pay-**  
30 **ment Assistance Fund is established in the State Treasury, separate and distinct from the**  
31 **General Fund. Interest earned by the Housing and Community Services Department Low-**  
32 **Income Electric Bill Payment Assistance Fund shall be credited to the fund. Moneys in the**  
33 **fund are continuously appropriated to the Housing and Community Services Department for**  
34 **purposes described in ORS 757.612 (7).**  
35 **“SECTION 9. ORS 757.612 is amended to read:**  
36 **“757.612. (1) There is established an annual public purpose expenditure standard for electric**  
37 **companies to fund new cost-effective local energy conservation, new market transformation efforts,**  
38 **the above-market costs of new renewable energy resources and new low-income weatherization. The**  
39 **public purpose expenditure standard shall be funded by the public purpose charge described in sub-**  
40 **section (2) of this section.**  
41 **“(2)(a) Beginning on the date an electric company offers direct access to its retail electricity**  
42 **consumers, except residential electricity consumers, the electric company shall collect a public**  
43 **purpose charge from all of the retail electricity consumers located within its service area for a pe-**  
44 **riod of 10 years. Except as provided in paragraph (b) of this subsection, the public purpose charge**  
45 **shall be equal to three percent of the total revenues collected by the electric company or electricity**

1 service supplier from its retail electricity consumers for electricity services, distribution, ancillary  
2 services, metering and billing, transition charges and other types of costs included in electric rates  
3 on July 23, 1999.

4 “(b) For an aluminum plant that averages more than 100 average megawatts of electricity use  
5 per year, beginning on March 1, 2002, the electric company whose territory abuts the greatest per-  
6 centage of the site of the aluminum plant shall collect from the aluminum company a public purpose  
7 charge equal to one percent of the total revenue from the sale of electricity services to the alumi-  
8 num plant from any source.

9 “(3)(a) The Public Utility Commission shall establish rules implementing the provisions of this  
10 section relating to electric companies.

11 “(b) Subject to paragraph (e) of this subsection, funds collected by an electric company through  
12 public purpose charges shall be allocated as follows:

13 “(A) Sixty-three percent for new cost-effective conservation and new market transformation.

14 “(B) Nineteen percent for the above-market costs of new renewable energy resources.

15 “(C) Thirteen percent for new low-income weatherization.

16 “(D) Five percent shall be transferred to the Housing and Community Services Department  
17 [*Revolving Account created under ORS 456.574*] **Electricity Public Purpose Charge Fund estab-**  
18 **lished by section 8 (1) of this 2007 Act** and used for the purpose of providing grants as described  
19 in ORS 458.625 (2). [*Moneys deposited in the account under this subparagraph are continuously ap-*  
20 *propriated to the Housing and Community Services Department for the purposes of ORS 458.625 (2).*  
21 *Interest on moneys deposited in the account under this subparagraph shall accrue to the account.*]

22 “(c) The costs of administering subsections (1) to (6) of this section for an electric company shall  
23 be paid out of the funds collected through public purpose charges. The commission may require that  
24 an electric company direct funds collected through public purpose charges to the state agencies  
25 responsible for implementing subsections (1) to (6) of this section in order to pay the costs of ad-  
26 ministering such responsibilities.

27 “(d) The commission shall direct the manner in which public purpose charges are collected and  
28 spent by an electric company and may require an electric company to expend funds through com-  
29 petitive bids or other means designed to encourage competition, except that funds dedicated for  
30 low-income weatherization shall be directed to the Housing and Community Services Department as  
31 provided in subsection (7) of this section. The commission may also direct that funds collected by  
32 an electric company through public purpose charges be paid to a nongovernmental entity for in-  
33 vestment in public purposes described in subsection (1) of this section. Notwithstanding any other  
34 provision of this subsection, at least 80 percent of the funds allocated for conservation shall be spent  
35 within the service area of the electric company that collected the funds.

36 “(e)(A) The first 10 percent of the funds collected annually by an electric company under sub-  
37 section (2) of this section shall be distributed to education service districts, as described in ORS  
38 334.010, that are located in the service territory of the electric company. The funds shall be dis-  
39 tributed to individual education service districts according to the weighted average daily member-  
40 ship (ADMw) of the component school districts of the education service district for the prior fiscal  
41 year as calculated under ORS 327.013. The commission shall establish by rule a methodology for  
42 distributing a proportionate share of funds under this paragraph to education service districts that  
43 are only partially located in the service territory of the electric company.

44 “(B) An education service district that receives funds under this paragraph shall use the funds  
45 first to pay for energy audits for school districts located within the education service district. An

1 education service district may not expend additional funds received under this paragraph on a  
2 school district facility until an energy audit has been completed for that school district. To the  
3 extent practicable, an education service district shall coordinate with the State Department of En-  
4 ergy and incorporate federal funding in complying with this paragraph. Following completion of an  
5 energy audit for an individual school district, the education service district may expend funds re-  
6 ceived under this paragraph to implement the energy audit. Once an energy audit has been con-  
7 ducted and completely implemented for each school district within the education service district, the  
8 education service district may expend funds received under this paragraph for any of the following  
9 purposes:

10 “(i) Conducting energy audits. A school district shall conduct an energy audit prior to expending  
11 funds on any other purpose authorized under this paragraph unless the school district has performed  
12 an energy audit within the three years immediately prior to receiving the funds.

13 “(ii) Weatherization and upgrading the energy efficiency of school district facilities.

14 “(iii) Energy conservation education programs.

15 “(iv) Purchasing electricity from environmentally focused sources and investing in renewable  
16 energy resources.

17 “(f) The commission may establish a different public purpose charge than the public purpose  
18 charge otherwise described in subsection (2) of this section for an individual retail electricity con-  
19 sumer or any class of retail electricity consumers located within the service area of an electric  
20 company, provided that a retail electricity consumer with a load greater than one average megawatt  
21 is not required to pay a public purpose charge in excess of three percent of its total cost of elec-  
22 tricity services.

23 “(g) The commission shall remove from the rates of each electric company any costs for public  
24 purposes described in subsection (1) of this section that are included in rates. A rate adjustment  
25 under this paragraph shall be effective on the date that the electric company begins collecting  
26 public purpose charges.

27 “(4) An electric company that satisfies its obligations under this section shall have no further  
28 obligation to invest in conservation, new market transformation, new renewable energy resources  
29 or new low-income weatherization or to provide a commercial energy conservation services program  
30 and is not subject to ORS 469.631 to 469.645, 469.860 to 469.900 and 758.505 to 758.555.

31 “(5)(a) A retail electricity consumer that uses more than one average megawatt of electricity  
32 at any site in the prior year shall receive a credit against public purpose charges billed by an  
33 electric company for that site. The amount of the credit shall be equal to the total amount of qual-  
34 ifying expenditures for new energy conservation, not to exceed 68 percent of the annual public  
35 purpose charges, and the above-market costs of purchases of new renewable energy resources in-  
36 curred by the retail electricity consumer, not to exceed 19 percent of the annual public purpose  
37 charges, less administration costs incurred under this subsection. The credit may not exceed, on  
38 an annual basis, the lesser of:

39 “(A) The amount of the retail electricity consumer’s qualifying expenditures; or

40 “(B) The portion of the public purpose charge billed to the retail electricity consumer that is  
41 dedicated to new energy conservation, new market transformation or the above-market costs of new  
42 renewable energy resources.

43 “(b) To obtain a credit under this subsection, a retail electricity consumer shall file with the  
44 State Department of Energy a description of the proposed conservation project or new renewable  
45 energy resource and a declaration that the retail electricity consumer plans to incur the qualifying

1 expenditure. The State Department of Energy shall issue a notice of precertification within 30 days  
2 of receipt of the filing, if such filing is consistent with this subsection. The credit may be taken after  
3 a retail electricity consumer provides a letter from a certified public accountant to the State De-  
4 partment of Energy verifying that the precertified qualifying expenditure has been made.

5 “(c) Credits earned by a retail electricity consumer as a result of qualifying expenditures that  
6 are not used in one year may be carried forward for use in subsequent years.

7 “(d)(A) A retail electricity consumer that uses more than one average megawatt of electricity  
8 at any site in the prior year may request that the State Department of Energy hire an independent  
9 auditor to assess the potential for conservation investments at the site. If the independent auditor  
10 determines there is no available conservation measure at the site that would have a simple payback  
11 of one to 10 years, the retail electricity consumer shall be relieved of 54 percent of its payment  
12 obligation for public purpose charges related to the site. If the independent auditor determines that  
13 there are potential conservation measures available at the site, the retail electricity consumer shall  
14 be entitled to a credit against public purpose charges related to the site equal to 54 percent of the  
15 public purpose charges less the estimated cost of available conservation measures.

16 “(B) A retail electricity consumer shall be entitled each year to the credit described in this  
17 subsection unless a subsequent independent audit determines that new conservation investment op-  
18 portunities are available. The State Department of Energy may require that a new independent audit  
19 be performed on the site to determine whether new conservation measures are available, provided  
20 that the independent audits shall occur no more than once every two years.

21 “(C) The retail electricity consumer shall pay the cost of the independent audits described in  
22 this subsection.

23 “(6) Electric utilities and retail electricity consumers shall receive a fair and reasonable credit  
24 for the public purpose expenditures of their energy suppliers. The State Department of Energy shall  
25 adopt rules to determine eligible expenditures and the methodology by which such credits are ac-  
26 counted for and used. The rules also shall adopt methods to account for eligible public purpose  
27 expenditures made through consortia or collaborative projects.

28 “(7)(a) In addition to the public purpose charge provided under subsection (2) of this section,  
29 beginning on October 1, 2001, an electric company shall collect funds for low-income electric bill  
30 payment assistance in an amount determined under paragraph (b) of this subsection.

31 “(b) The total amount collected for low-income electric bill payment assistance under this sec-  
32 tion shall be \$10 million per year. The commission shall determine each electric company’s propor-  
33 tionate share of the total amount. The commission shall determine the amount to be collected from  
34 a retail electricity consumer, except that a retail electricity consumer is not required to pay more  
35 than \$500 per month per site for low-income electric bill payment assistance.

36 “(c) Funds collected by the low-income electric bill payment assistance charge shall be paid into  
37 the Housing and Community Services Department [*Revolving Account created under ORS 456.574*]  
38 **Low-Income Electric Bill Payment Assistance Fund established by section 8 (2) of this 2007**  
39 **Act.** Moneys deposited in the [*account*] **fund** under this paragraph [*are continuously appropriated*  
40 *to*] **shall be used by** the Housing and Community Services Department for the purpose of funding  
41 low-income electric bill payment assistance. [*Interest earned on moneys deposited in the account un-*  
42 *der this paragraph shall accrue to the account.*] The department’s cost of administering this sub-  
43 section shall be paid out of funds collected by the low-income electric bill payment assistance  
44 charge. Moneys deposited in the [*account*] **fund** under this paragraph shall be expended solely for  
45 low-income electric bill payment assistance. Funds collected from an electric company shall be ex-

1    pended in the service area of the electric company from which the funds are collected.

2       “(d) The Housing and Community Services Department, in consultation with the federal Advi-  
3    sory Committee on Energy, shall determine the manner in which funds collected under this sub-  
4    section will be allocated by the department to energy assistance program providers for the purpose  
5    of providing low-income bill payment and crisis assistance, including programs that effectively re-  
6    duce service disconnections and related costs to retail electricity consumers and electric utilities.  
7    Priority assistance shall be directed to low-income electricity consumers who are in danger of hav-  
8    ing their electricity service disconnected.

9       “(e) [*Notwithstanding ORS 293.140,*] Interest on moneys deposited in the Housing and Community  
10    Services Department [*Revolving Account under this subsection shall accrue to the account and*]  
11    **Low-Income Electric Bill Payment Assistance Fund established by section 8 (2) of this 2007**  
12    **Act** may be used to provide heating bill payment and crisis assistance to electricity consumers  
13    whose primary source of heat is not electricity.

14       “(f) Notwithstanding ORS 757.310, the commission may allow an electric company to provide  
15    reduced rates or other payment or crisis assistance or low-income program assistance to a low-  
16    income household eligible for assistance under the federal Low Income Home Energy Assistance Act  
17    of 1981, as amended and in effect on July 23, 1999.

18       “(8) For purposes of this section, ‘retail electricity consumers’ includes any direct service in-  
19    dustrial consumer that purchases electricity without purchasing distribution services from the elec-  
20    tric utility.

21       “**SECTION 10.** ORS 291.002 is amended to read:

22       “291.002. [*Except as otherwise provided in ORS 291.201 and 291.230,*] As used in ORS 291.001 to  
23    291.034, 291.201 to 291.222, 291.230 to 291.260, 291.261, 291.307 and 291.990, unless the context re-  
24    quires otherwise:

25       “(1) ‘Classification of expenditures’ means the major groups or categories of expenditures for the  
26    purpose of budget-making and accounting that are established as provided in ORS 291.206.

27       “(2) **‘Dedicated fund’ means a fund in the State Treasury, or a separate account or fund**  
28    **in the General Fund in the State Treasury, that by law is dedicated, appropriated or set aside**  
29    **for a limited object or purpose, but ‘dedicated fund’ does not include a revolving fund or a**  
30    **trust fund.**

31       “[(2)] (3) ‘Department’ means the Oregon Department of Administrative Services.

32       “[(3)] (4) ‘Director’ means the Director of the Oregon Department of Administrative Services.

33       “[(4) ‘Dedicated fund’ means a fund in the State Treasury, or a separate account or fund in the  
34    General Fund in the State Treasury, that by law is dedicated, appropriated or set aside for a limited  
35    object or purpose; but ‘dedicated fund’ does not include a revolving fund or a trust fund.]

36       “(5) ‘Legislatively adopted budget’ means the budget enacted by the Legislative Assembly during  
37    a regular session.

38       “(6) ‘Legislatively approved budget’ means the legislatively adopted budget as modified by the  
39    Emergency Board or by the Legislative Assembly meeting in special session.

40       “(7) ‘Revolving fund’ means a fund in the State Treasury, established by law, from which is paid  
41    the cost of goods or services furnished to or by a state agency, and which is replenished through  
42    charges made for such goods or services or through transfers from other accounts or funds; and  
43    specifically includes funds derived from receipts by the State Board of Higher Education of tuition,  
44    fees, dormitory earnings, student activity receipts and sales of products and services incident to  
45    education functions.

1       “[(8) ‘Trust fund’ means a fund in the State Treasury in which designated persons or classes of  
2 persons have a vested beneficial interest or equitable ownership, or which was created or established  
3 by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated objects or  
4 purposes.]

5       “[(9)] (8) ‘State agency’ or ‘agency’ means every state officer, board, commission, department,  
6 institution, branch or agency of the state government, whose costs are paid wholly or in part from  
7 funds held in the State Treasury, except:

8       “(a) The Legislative Assembly, the courts and their officers and committees;

9       “(b) The Public Defense Services Commission; and

10       “(c) The Secretary of State and the State Treasurer in the performance of the duties of their  
11 constitutional offices.

12       “[(10)] (9) ‘State officer’ means any elected or appointed state officer, including members of  
13 boards and commissions, except the members and officers of the Legislative Assembly, the courts,  
14 the Secretary of State and the State Treasurer in the performance of the duties of their constitu-  
15 tional offices and the members of the Public Defense Services Commission.

16       “(10) ‘Trust fund’ means a fund in the State Treasury in which designated persons or  
17 classes of persons have a vested beneficial interest or equitable ownership, or which was  
18 created or established by a gift, grant, contribution, devise or bequest that limits the use of  
19 the fund to designated objects or purposes.

20       “**SECTION 11.** ORS 291.201 is amended to read:

21       “291.201. [Notwithstanding ORS 291.002 (9) and (10), as used in ORS 291.201 to 291.222:]

22       “[(1) ‘State agency’ or ‘agency’ means every state officer, board, commission, department, institu-  
23 tion, branch or agency of the state government, whose costs are paid wholly or in part from funds held  
24 in the State Treasury, except:]

25       “[(a) The Legislative Assembly, the courts and their officers and committees; and]

26       “[(b) The Public Defense Services Commission.]

27       “[(2) ‘State officer’ means any elected or appointed state officer, including members of boards and  
28 commissions, except the members and officers of the Legislative Assembly, the courts and the members  
29 of the Public Defense Services Commission.]

30       “[(3)] **As used in ORS 291.201 to 291.222,** ‘tax expenditure’ means any law of the federal gov-  
31 ernment or this state that exempts, in whole or in part, certain persons, income, goods, services or  
32 property from the impact of established taxes, including but not limited to tax deductions, tax ex-  
33 clusions, tax subtractions, tax exemptions, tax deferrals, preferential tax rates and tax credits.

34       “**SECTION 12.** ORS 291.230 and 291.280 are repealed.

35       “**SECTION 13.** This 2007 Act being necessary for the immediate preservation of the public  
36 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect  
37 July 1, 2007.”.