

2008 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3619

STATUS: Original

SUBJECT: Renewable energy tax credits.

GOVERNMENT UNIT AFFECTED: Department of Energy and Department of Revenue

PREPARED BY: Dawn Farr

REVIEWED BY: Michelle Deister and Dallas Weyand

DATE: February 6, 2008

EXPENDITURES:

See Analysis Section.

2007-2009

2009-2011

REVENUES:

See Analysis Section.

EFFECTIVE DATE: 91st day after sine die.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The bill requires the Department of Energy (DOE) to establish rules for the designation of a renewable energy resource equipment manufacturing facility; sets conditions and limits on annual tax credits; and, allows DOE to establish fees to cover the processing costs.

The DOE indicates that renewable energy tax credit program was expanded by the 2007 Legislature, and that the purpose of this bill is to clarify eligibility for tax credits. The bill requires DOE to develop new administrative rules and provides a larger incentive for renewable manufacturers. DOE does not anticipate that this bill will increase the volume of tax credits or adding any new fees; hence, no increased revenues or expenditures are expected to result directly from this bill. As rulemaking is part of normal business processes for the Department they have indicated that this bill can be implemented with existing resources.

The Department of Revenue anticipates minimal costs for updating and developing forms and administrative rules. These additional costs are expected to be less than \$10,000 and are assumable with existing resources.