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

MEASURE NUMBER: HB 3619 **STATUS:** B-Engrossed
SUBJECT: Renewable energy tax credits.
GOVERNMENT UNIT AFFECTED: Department of Energy, Housing and Community Development, and Department of Revenue
PREPARED BY: Dawn Farr
REVIEWED BY: Michelle Deister and Dallas Weyand
DATE: February 20, 2008

	2007-2009	2009-2011
EXPENDITURES:		
See Analysis Section.		
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 various criteria in rules, including standards relating to renewable energy resource equipment manufacturing facility; sets conditions and limits on annual tax credits and conditions where the Director of DOE may certify a lesser amount. The bill raises the Oregon Affordable Housing Tax Credit by $4 million.

DOE indicates that the bill requires that they establish rules, which can be absorbed by current staff as is part of normal business processes for the Department. DOE does not anticipate that this bill will increase the volume of tax credits or adding any increased fee revenue.

Housing and Community Development indicates that the change in Oregon Affordable Housing Tax Credit will increase Other Fund fee revenue by approximately $300,000 for the 2009-11 biennium. Fee revenue is not expected to increase during 2007-09 because it may take up to 24 months to complete pre-work and process the tax credits. The Department does not anticipate a significant increase in tax credit applications; however, should this occur, the Department anticipates being able to redeploy resources to cover additional demand.

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.