

SENATE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2563

By COMMITTEE ON FINANCE AND REVENUE

June 16

1 In line 2 of the printed A-engrossed bill, after “amending” insert “ORS 307.175 and”.

2 In line 3, after the semicolon insert “repealing sections 4 and 7, chapter 957, Oregon Laws
3 1999;”.

4 Delete lines 22 and 23 and insert:

5 **“SECTION 3.** ORS 307.175 is amended to read:

6 **“307.175. (1) As used in this section, ‘alternative energy system’ means** property [equipped
7 with] **consisting of** solar, geothermal, wind, water, fuel cell or methane gas energy systems for the
8 purpose of heating, cooling or generating **electricity.** [electrical energy shall be exempt from ad
9 valorem taxation in an amount that equals any positive amount obtained by subtracting the real market
10 value of the property as if it were not equipped with such systems, from the real market value of the
11 property so equipped.]

12 *“[(2) This section applies to tax years beginning prior to July 1, 2012.]*

13 *“[(3) Except as provided in subsection (4) of this section, this section does not apply to property
14 owned or leased by any person whose principal business activity is directly or indirectly the production,
15 transportation or distribution of energy, including but not limited to public utilities as defined in ORS
16 757.005 and people’s utility districts as defined in ORS 261.010.]*

17 *“[(4) This section applies to an alternative energy system that is owned or leased by a person whose
18 principal business activity is directly or indirectly the production, transportation or distribution of en-
19 ergy if the system is a net metering facility, as defined in ORS 757.300, or other system primarily de-
20 signed to offset onsite electricity use.]*

21 **“(2) An alternative energy system is exempt from ad valorem property taxation if the
22 system is:**

23 **“(a) A net metering facility, as defined in ORS 757.300; or**

24 **“(b) Primarily designed to offset onsite electricity use.**

25 **“(3) Notwithstanding ORS 307.110 and 308.505 to 308.665, any portion of the real property
26 to which an alternative energy system is affixed is exempt under this section if:**

27 **“(a) The real property is otherwise exempt from ad valorem property taxation; and**

28 **“(b) The alternative energy system is exempt under this section.**

29 **“(4) Property equipped with an alternative energy system is exempt from ad valorem
30 property taxation in an amount that equals any positive amount obtained by subtracting the
31 real market value of the property as if it were not equipped with an alternative energy sys-
32 tem from the real market value of the property as equipped with the alternative energy
33 system.**

34 **“SECTION 4.** The amendments to ORS 307.175 by section 3 of this 2011 Act apply to tax
35 years beginning on or after July 1, 2011, and before July 1, 2018.

1 “**SECTION 5.** (1) Section 4, chapter 957, Oregon Laws 1999, as amended by section 1,
2 chapter 795, Oregon Laws 2003, and section 2, chapter 852, Oregon Laws 2009, is repealed.

3 “(2) Section 7, chapter 957, Oregon Laws 1999, as amended by section 2, chapter 795,
4 Oregon Laws 2003, and section 3, chapter 852, Oregon Laws 2009, is repealed.

5 “**SECTION 6.** This 2011 Act takes effect on the 91st day after the date on which the 2011
6 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.”.

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