

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2563**

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

3 Delete lines 22 and 23 and insert:

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

5 “307.175. (1) **As used in this section, ‘alternative energy system’**
6 **means** property [*equipped with*] **consisting of** solar, geothermal, wind, wa-
7 ter, fuel cell or methane gas energy systems for the purpose of heating,
8 cooling or generating **electricity**. [*electrical energy shall be exempt from ad*
9 *valorem taxation in an amount that equals any positive amount obtained by*
10 *subtracting the real market value of the property as if it were not equipped*
11 *with such systems, from the real market value of the 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*
14 *not apply to property owned or leased by any person whose principal business*
15 *activity is directly or indirectly the production, transportation or distribution*
16 *of energy, including but not limited to public utilities as defined in ORS*
17 *757.005 and people’s utility districts as defined in ORS 261.010.*]

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

1 “(2) An alternative energy system is exempt from ad valorem prop-
2 erty taxation if the system is:

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

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

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

8 “(a) The real property is otherwise exempt from ad valorem prop-
9 erty taxation; and

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

11 “(4) Property equipped with an alternative energy system is exempt
12 from ad valorem property taxation in an amount that equals any
13 positive amount obtained by subtracting the real market value of the
14 property as if it were not equipped with an alternative energy system
15 from the real market value of the property as equipped with the al-
16 ternative energy system.

17 “SECTION 4. The amendments to ORS 307.175 by section 3 of this
18 2011 Act apply to tax years beginning on or after July 1, 2011, and be-
19 fore July 1, 2018.

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

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