

February 3, 2014

House Committee on Energy and Environment  
Oregon State Capitol  
900 Court Street NE, Room 435  
Salem, Oregon 97301

Re: HB 4041

Dear Chair Bailey and Members of the Committee:

I am writing to share Multnomah County's efforts to develop a program under ORS 223.396 to support investments in energy efficiency by owners of residential, commercial, and industrial buildings.

Under ORS 223.396, local governments are able to develop programs that will reduce the financing barrier faced by many property owners when considering energy efficiency improvements for their properties. Specifically, ORS 223.396 authorizes a local government to make loans for these energy efficiency improvements with the proceeds from revenue bonds and certify the loan amounts due as an assessment against the property that can be collected through the property tax system. This assessment mechanism greatly increases the certainty that these loans will be repaid.

As Multnomah County began to develop a program under ORS 223.396, it became clear that the requirement that loans be made with the proceeds from revenue hampers our ability to partner with private sources of capital. Although banks and other sources of capital have more experience underwriting, issuing and servicing loans than does Multnomah County, these members of the private sector are largely excluded from participating in a program under ORS 223.396. This restriction on the source of capital has created a barrier to Multnomah County moving forward with developing a program under ORS 223.396.

HB 4041 amends ORS 223.396 to lift the restriction on the source of capital. In particular, HB 4041 allows local governments to develop programs under which a loan made for energy efficiency improvements can be collected through the assessment mechanism described in ORS 223.396, irrespective of the source of the loan funds. Thus, HB 4041 addresses the funding restriction barrier and allows Multnomah County to move forward more easily with developing a program under ORS 223.396 that will spur increased investments by property owners in their buildings that save themselves and their tenants money on their energy bills.

Sincerely,



John Tydlaska  
Economic Development Director  
Multnomah County