

February 19, 2014

Senate Committee on Environment and Natural Resources  
Oregon State Capitol  
900 Court Street NE, Room 347  
Salem, Oregon 97301

Re: HB 4041-A

Dear Chair Dembrow 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.

This statute allows local governments to develop programs to reduce the financing barrier faced by many property owners considering energy efficiency improvements for their properties. Specifically, ORS 223.396 authorizes a local government to use proceeds from the sale of revenue bonds to make loans for these energy efficiency improvements and certify the loan amounts due as an assessment 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 bond proceeds 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 such a program.

HB 4041-A amends ORS 223.396 to lift the restriction on the source of capital. In particular, the bill 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, by addressing the funding restriction, HB 4041-A allows Multnomah County to move forward more easily with developing a program to help increase investments by property owners in their buildings that will save themselves and their tenants money on their energy bills.

Sincerely,



John Tydlaska  
Economic Development Director