

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	8 - 1 - 1
<b>Yeas:</b>	Bentz, Boone, Johnson, Lininger, Reardon, Smith Warner, Vega Pederson, Bailey
<b>Nays:</b>	Whitsett
<b>Exc.:</b>	Weidner
<b>Prepared By:</b>	Rick Berkobien, Administrator
<b>Meeting Dates:</b>	2/11

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**WHAT THE MEASURE DOES:** Expands energy improvement program by authorizing local governments to facilitate private financing of energy improvements by property owners. Authorizes local government establishing program to impose requirements to ensure that cost of financed improvements do not exceed cumulative energy cost savings over life of improvements. Modifies definition of “qualifying real property” to exclude single-family residential dwellings. Requires that local government not enter into loan agreement or facilitate financial agreement unless owner: 1) Provided written notice to all mortgagees of property that owner intends to enter into loan or financing agreement; and, 2) Received written consent from mortgagees stating loan or financing agreement does not constitute event of default or give rise to any remedies under terms of the mortgage loan agreement. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Property Assessed Clean Energy (PACE) programs
- Flexibility that measure will provide
- Examples of possible economic development from program
- Impact on property owners in regard to energy-related investments

**EFFECT OF COMMITTEE AMENDMENT:** Requires that local government not enter into loan agreement or facilitate financial agreement unless owner: 1) Provided written notice to all mortgagees of property that owner intends to enter into loan or financing agreement; and, 2) Received written consent from mortgagees stating loan or financing agreement does not constitute event of default or give rise to any remedies under terms of mortgage loan agreement.

**BACKGROUND:** In 2009 the Legislature enacted House Bill 2626 which authorized local governments to provide loans for renewable energy and energy efficiency improvements. Local governments are currently authorized to finance this loan program by either issuing revenue bonds or by borrowing funds from the Oregon Department of Energy under the Energy Efficiency and Sustainable Technologies Loan Program for small-scale local energy projects.

House Bill 4041 A would expand the energy improvement program by authorizing local governments to facilitate private financing of energy improvements by property owners as long the costs of the financed improvements do not exceed the cumulative energy cost savings over the life of the improvements.