

A-Engrossed
House Bill 3246

Ordered by the House June 2
Including House Amendments dated June 2

Sponsored by Representative VEGA PEDERSON, Senator HASS; Representatives JOHNSON, NOSSE, READ

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Grants exemption to certain improvements **located in most populous city of county with population of 650,000 or more** that increase energy efficiency of property or reduce greenhouse gas emissions from property **built before 2008. Requires application for first year of exemption to be made before construction or installation of improvements.** Specifies calculation for amount of exemption. [*Requires Department of Revenue to adopt rules for administration of exemption.*] **Requires county to prescribe application forms and deadlines. Provides that centrally assessed property and industrial property appraised by Department of Revenue are not eligible for exemption.**

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to energy-related improvements to property; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section, "energy efficient improvements" means new**
5 **property or new improvements to property as defined in ORS 308.149 that increase the en-**
6 **ergy efficiency of property or reduce greenhouse gas emissions from property and that**
7 **qualify:**

8 (a) **For any form of tax relief or ratepayer incentives in Oregon;**

9 (b) **As improvements that improve the home energy performance score of property under**
10 **the system adopted pursuant to ORS 469.703; or**

11 (c) **As energy conservation measures for commercial buildings, as both terms are defined**
12 **in ORS 469.860.**

13 (2)(a) **Notwithstanding ORS 308.153, energy efficient improvements located in the most**
14 **populous city of a county with a population of 650,000 or more are exempt from ad valorem**
15 **property taxation for the first property tax year for which an application submitted to the**
16 **county assessor under this section is approved and for the lesser of the following nine con-**
17 **secutive property tax years or until the energy efficient improvements are removed.**

18 (b) **In order for the energy efficient improvements to be eligible for the exemption, the**
19 **property on which the energy efficient improvements are constructed or installed must have**
20 **been built before 2008.**

21 (c) **Application for the first year of exemption must be made before the construction or**
22 **installation of the energy efficient improvements on the property.**

23 (3) **The amount of the exemption shall equal the positive amount, if any, obtained by**
24 **subtracting from the real market value of the property with the energy efficient improve-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 ments an amount equal to the real market value of the property if the energy efficient im-
2 provements had not been added to the property.

3 (4) The county shall prescribe the application forms and deadlines for filing applications
4 under this section.

5 (5)(a) Property assessable under ORS 308.505 to 308.665 is not eligible for an exemption
6 under this section.

7 (b) Industrial property appraised by the Department of Revenue under ORS 306.126 is not
8 eligible for an exemption under this section.

9 **SECTION 2.** (1) Section 1 of this 2015 Act applies to property tax years beginning on or
10 after July 1, 2016.

11 (2) Applications for exemption under section 1 of this 2015 Act may not be filed for tax
12 years beginning on or after July 1, 2022.

13 **SECTION 3.** This 2015 Act takes effect on the 91st day after the date on which the 2015
14 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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