

HB 2458 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 4/17, 5/8

WHAT THE MEASURE DOES:

Exempts from ad valorem property taxation property that is owned or used by cooperative for purpose of providing steam or hot water heat by combustion of biomass. Applies only to cooperative whose property is subject to central assessment and if more than 50 percent of interest in cooperative is owned by a property tax exempt, state, or local public entity.

ISSUES DISCUSSED:

- Characteristics of the currently affected property.
- How Biomass electric generating property is treated related to taxes.
- Potential for other similar properties to apply for this exemption.
- Value of property.
- Ownership and distribution requirements under the bill.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In Harney County, there is currently a steam and heat generating station owned and operated by a co-operative which was formed between the elementary school and the county courthouse. All the co-op is structured as a non-profit, its property may be subject to taxation if it expands to provide steam and heat to other entities that are not public. Currently, there is in statute, language that exempts from property taxes some electric generating stations if the source of fuel is biomass. This bill would offer a similar treatment to such property if the purpose is to produce steam and heat.

315.141 defines biomass as:

Organic matter that is available on a renewable or recurring basis and that is derived from:

- (A) Forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and reduce uncharacteristic stand replacing wildfire risk;
- (B) Wood material from hardwood timber described in ORS 321.267 (3);
- (C) Agricultural residues;
- (D) Offal and tallow from animal rendering;
- (E) Food wastes collected as provided under ORS chapter 459 or 459A;
- (F) Wood debris collected as provided under ORS chapter 459 or 459A;
- (G) Wastewater solids; or
- (H) Crops grown solely to be used for energy.