

**HB 2458 STAFF MEASURE SUMMARY**

**Carrier:** Rep. Findley

**House Committee On Revenue**

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**Action Date:** 03/25/19

**Action:** Do Pass.

**Vote:** 6-0-1-0

**Yeas:** 6 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith Warner

**Exc:** 1 - Smith G

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 2/7, 3/25

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**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:**

- High Desert Biomass Cooperative, background on what led to installation of biomass combustion boiler
- Cooperative's use of biomass boiler system now being used to provide service to six block area
- Cooperative thought property would be exempt from property taxation, but existing exemption statutes do not exempt property
- Description of how the boiler system works and heats other buildings in the vicinity
- Boiler owner by city and school district
- Boiler has additional heating capacity.

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

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.