

SB 1536 A STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

Action Date: 02/14/22

Action: Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

Vote: 5-0-0-0

Yeas: 5 - Anderson, Girod, Golden, Jama, Patterson

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Devin Edwards, LPRO Analyst

Meeting Dates: 2/2, 2/14

WHAT THE MEASURE DOES:

Allows residential tenants to install and use portable cooling devices unless devices would damage premises; violate building codes, state or federal law, or device safety guidelines; or create power service constraints, adequate drainage issues, or the risk of a device falling from a window. Specifies that landlords may not execute termination notices during extreme heat and must provide cooling assistance to tenants in manufactured dwellings, recreational vehicle parks, and multifamily structures with five or more dwelling units where fewer than half of units can install and use portable cooling devices, not including fans. Requires landlords to provide written notice to tenants if restrictions on installation or use of devices apply. Clarifies landlord immunity from liability for damages, injury, or death caused by devices installed by tenants. Clarifies landlords restricting installation or use of devices must prioritize allowing devices for people who require them to accommodate a disability. Prohibits planned community and condominium governing documents, and local ordinances regulating historic properties, from restricting installation or use of portable cooling devices under certain conditions. Allows tenants in manufactured dwellings and recreational vehicles owned by landlord to make reasonable modifications for installation and use of cooling technology at tenants' expense. Allows tenants with medical vulnerabilities or mobility challenges, including children and youth with special health care needs and people with disabilities, in addition to tenants over the age of 65 or under the age of 10, to make reasonable modifications for installation and use of cooling technology at tenants' expense. Requires Oregon Housing and Community Services (OHCS), during extreme heat events, to post dates, counties affected, and information about relevant programs landlords may use to provide adequate cooling to tenants. Requires landlords of dwelling units in which construction permits are issued on or after April 1, 2024 to provide adequate cooling facilities as part of habitability requirements.

Establishes Residential Heat Pump Rebate Fund, authorizing Oregon Department of Energy (ODOE) to provide rebates to owners of residential dwelling units and rented spaces in manufactured dwelling and recreational vehicle parks for purchase or installation of air-source or ground-source heat pumps. Outlines conditions contractors must meet to prove eligibility for rebate claim. Restricts rebate use to reducing net costs for customers purchasing or installing heat pumps. Appropriates \$15,000,000 from General Fund in biennium ending June 30, 2023 to ODOE for Residential Heat Pump Rebate Fund. Repeals Residential Heat Pump Rebate Fund on January 2, 2025, transferring unexpended funds to General Fund.

Appropriates \$1,000,000 from General Fund in biennium ending June 30, 2023 to ODOE to provide grants to nongovernmental entity administering public purpose charge funds to assist landlords in creating or operating one or more private community cooling spaces available to tenants during extreme heat events, which maintain a temperature of no higher than 80 degrees Fahrenheit. Specifies that grants must be for spaces accommodating at least five individuals, and directs ODOE to provide landlords with information about cooling providers, programs, services, and best practices.

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Directs ODOE, with assistance from Building Codes Division of Department of Consumer and Business Services, to study cooling and electrical needs of publicly supported housing, manufactured dwelling parks, and recreational vehicle parks. Appropriates \$500,000 from General Fund in biennium ending June 30, 2023 to ODOE. Repeals study provisions on January 2, 2025. Directs ODOE to report on heat pump grants and rebates, community cooling centers, and cooling study findings to interim committee of Legislative Assembly no later than September 15, 2023.

Expands Department of Human Services (DHS) grant program for local governments to establish emergency shelters for clean air, warming, and cooling, and to upgrade public building facilities to include warming and cooling as acceptable uses of grant funds. Clarifies that shelters or facilities receiving grants must notify 211Info regarding shelter location, capacity, and hours and dates of operation. Appropriates to DHS \$2,000,000 out of General Fund in biennium ending June 30, 2023.

Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Size of appropriation to Residential Heat Pump Rebate Fund with respect to demand for heat pumps
- Studying access to cooling in existing housing stock
- Needs-based assessment in grant application process
- Parties responsible for cost of heat pump installation under Residential Heat Pump Rebate Fund
- Natural gas as an alternative to heat pumps
- Future study of extreme weather shelters by Department of Human Services
- Cost of replacing existing heating and cooling devices
- Program sunsets with respect to costs of ongoing construction and renovation projects
- Availability of cooling centers at night
- Exceptions to allowing tenants to install or use cooling technology
- Merging of Residential Energy Upgrade Loan Fund and Residential Heat Pump Rebate Fund in -2 amendment
- Administrative costs for Oregon Department of Energy

EFFECT OF AMENDMENT:

Defines extreme heat event. Adds exceptions to prohibition on landlord bans on installation or use of portable cooling devices, based on power service constraints, adequate drainage, and risk of device falling from window. Requires landlords to provide written notice to tenants if restrictions on installation or use of devices apply. Clarifies landlord immunity from liability for damages, injury, or death caused by devices installed by tenants. Clarifies landlords restricting installation or use of devices must prioritize allowing devices for people who require them to accommodate a disability. Eliminates general requirement for landlords to offer cooled community spaces or conduct welfare checks. Requires Oregon Housing and Community Services (OHCS) during extreme heat events to post dates, counties affected, and information about relevant programs landlords can use to provide adequate cooling. Requires landlords of dwelling units in which construction permits are issued on or after April 1, 2024 to provide adequate cooling facilities as part of habitability requirements.

Eliminates Residential Energy Upgrade Loan Fund. Differentiates maximum rebate claim amount under Residential Heat Pump Rebate Fund by whether owner has residential dwelling unit, or manufactured dwelling or recreational vehicle. Increases percent of total rebate funds to be reserved for households whose income is less than 80 percent of area median income from 10 to 25 percent of total rebate funds. Increases appropriation for rebate fund to \$15,000,000. Clarifies that unexpended funds transfer to General Fund when rebate fund is repealed on January 2, 2025.

Eliminates requirements for landlords to submit cooling strategy proposal and OHCS to provide technical assistance; also eliminates related appropriations. Allows Oregon Department of Energy (ODOE) to provide grants to nongovernmental entity administering public purpose charge funds to assist landlords in creating or operating

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one or more private community cooling spaces available to tenants during extreme heat events, maintaining temperature of no higher than 80 degrees Fahrenheit. Specifies that grants must be for spaces accommodating at least five individuals and ODOE must provide landlords with information about cooling providers, programs, services, and best practices. Appropriates \$1,000,000 from General Fund in biennium ending June 30, 2023 to ODOE.

Directs ODOE, with assistance from Building Codes Division of Department of Consumer and Business Services, to study cooling and electrical needs of publicly supported housing, manufactured dwelling parks, and recreational vehicle parks. Appropriates \$500,000 out of General Fund in biennium ending June 30, 2023 to ODOE. Repeals study provisions on January 2, 2025. Directs ODOE to report on heat pump grants and rebates, community cooling centers, and cooling study findings to interim committee of Legislative Assembly no later than September 15, 2023.

Clarifies that shelters or facilities receiving grants under Department of Human Services program must notify 211Info regarding shelter location, capacity, and hours and dates of operation.

BACKGROUND:

According to a 2015 PEMCO Insurance Northwest survey, 59 percent of Oregonians do not have air conditioning at home. Census data from 2019 indicates that figure drops to 21 percent in the Portland metro area. None of the people who died in Multnomah County during the June 2021 "heat dome" had central air conditioning, according to county data.

In Oregon, air conditioners are considered an amenity rather than a habitability requirement. Landlords must maintain functional air conditioning only if appliances are supplied when the lease begins. If a landlord fails to repair appliances, a tenant may do so and deduct the repair costs from their rent.

Senate Bill 1536 A allows residential tenants to install and use portable cooling devices unless devices would damage premises; violate building codes, state or federal law, or device safety guidelines; or create power service constraints, adequate drainage issues, or the risk of a device falling from a window. Portable cooling devices are defined as air conditioners, fans, and evaporative coolers, including floor- and window-mounted devices but not devices requiring alteration to the dwelling unit. "Extreme heat event" is defined as day in which National Weather Service of the National Oceanic and Atmospheric Administration predicts or indicates a heat index of extreme caution for a county. The measure prohibits landlords from issuing termination notices during extreme heat events, extending the date of termination one day for each day National Weather Service of the National Oceanic and Atmospheric Administration declares an extreme heat event. Landlords will be required to provide cooling assistance to tenants in manufactured dwellings, recreational vehicle parks, and multifamily structures with five or more dwelling units where fewer than half of the units can install and use portable cooling devices, not including fans. Planned community and condominium governing documents, as well as local ordinances regulating historic properties, will be restricted from installing or using portable cooling devices under certain conditions. At their expense, tenants will be allowed to make reasonable modifications for installation and use of cooling technology in manufactured dwellings and recreational vehicles. Tenants with medical vulnerabilities or mobility challenges, including children and youth with special health care needs and people with disabilities, in addition to tenants over the age of 65 or under the age of 10, may also make reasonable modifications at their expense. During extreme heat events, Oregon Housing and Community Services (OHCS) must post dates, counties affected, and information about relevant programs landlords can use to provide adequate cooling. Landlords of dwelling units in buildings where construction permits are issued on or after April 1, 2024 must provide adequate cooling facilities as part of habitability requirements.

Senate Bill 1536 A establishes the Residential Heat Pump Rebate Fund, authorizing Oregon Department of Energy (ODOE) to provide rebates to owners of residential dwelling units and rented spaces in manufactured dwelling and recreational vehicle parks for purchase or installation of air-source or ground-source heat pumps. Contractors

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must meet specific conditions to prove eligibility for claiming the rebate. Rebates must be used to reduce the net cost for customers purchasing or installing heat pumps. The measure appropriates \$15,000,000 out of General Fund in the biennium ending June 30, 2023 to ODOE for the Residential Heat Pump Rebate Fund. The Residential Heat Pump Rebate Fund will be repealed on January 2, 2025, transferring unexpended funds to the General Fund.

Senate Bill 1536 A allows ODOE to provide grants to a nongovernmental entity administering public purpose charge funds to assist landlords in creating or operating one or more private community cooling spaces available to tenants during extreme heat events, maintaining a temperature of no higher than 80 degrees Fahrenheit in spaces. Grants must be for spaces accommodating at least five individuals and ODOE must provide landlords with information about cooling providers, programs, services, and best practices. The measure appropriates \$1,000,000 from General Fund in the biennium ending June 30, 2023 to ODOE.

Senate Bill 1536 A directs ODOE, with assistance from Building Codes Division of Department of Consumer and Business Services, to study the cooling and electrical needs of publicly supported housing, manufactured dwelling parks, and recreational vehicle parks. \$500,000 from General Fund in the biennium ending June 30, 2023 will be appropriated to ODOE. Study provisions will be repealed on January 2, 2025. ODOE must report on heat pump grants and rebates, community cooling centers, and the cooling study findings to an interim committee of the Legislative Assembly no later than September 15, 2023.

Senate Bill 1536 A expands the Department of Human Services (DHS) grant program for local governments to establish emergency shelters for clean air, warming, and cooling and to upgrade public building facilities to include warming and cooling as acceptable uses of grant funds. \$2,000,000 out of General Fund in the biennium ending June 30, 2023 will be appropriated to DHS.