

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3004 - A

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes a credit against income or corporate taxes for the owner of an eligible generation facility for transmission services.

Government Unit(s) Affected:

Department of Revenue, Public Utility Commission, Department of Energy, Special Districts Association of Oregon

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

HB 3004 - A establishes a tax credit equal to the amount paid during the tax year for transmission services by the owner of an eligible generation facility. The taxpayer must receive written certification of eligibility from the Oregon Department of Energy (ODOE). This applies to tax years starting January 1, 2025, and to eligible generation facilities placed in service between January 1, 2025 and January 1, 2031. The measure takes effect on the 91st day after the Legislature adjourns sine die.

ODOE anticipates a fiscal impact from this measure, but the total fiscal impact is indeterminate at this time. The agency is unsure on how many facilities might be eligible for this tax credit. If the measure applies only to utility-scale facilities and commercial net metered systems, the impact would potentially be minimal. If this measure could apply to residential systems, then ODOE could require up to one permanent full-time Operations and Policy Analyst 2 position to compile certification documents, at an estimated cost of \$83,324 General Fund in the 2023-25 biennium and \$318,301 in the 2025-27 biennium. However, further information is required to determine tax credit eligibility and how this might impact agency workload.

There is minimal fiscal impact for the Department of Revenue and no fiscal impact for the Public Utility Commission.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact on the ODOE budget.