

Requested by Representative HELM

**PROPOSED AMENDMENTS TO
HOUSE BILL 3003**

1 On page 1 of the printed bill, delete lines 5 through 30.

2 On page 2, delete lines 1 through 35 and insert:

3 **“SECTION 1. Sections 2 to 4 of this 2023 Act are added to and made**
4 **a part of ORS chapter 315.**

5 **“SECTION 2. As used in sections 2 to 4 of this 2023 Act:**

6 **“(1) ‘Biomass’ has the meaning given that term in ORS 315.141.**

7 **“(2) ‘Biomass energy producer’ means a person that uses biomass**
8 **to produce energy.**

9 **“(3) ‘Electric utility’ has the meaning given that term in ORS**
10 **757.600.**

11 **“(4) ‘Qualifying western juniper biomass’ means biomass derived**
12 **from western juniper that has been treated in accordance with section**
13 **3 of this 2023 Act.**

14 **“SECTION 3. For purposes of the tax credit under section 4 of this**
15 **2023 Act, western juniper must be treated as provided in this section.**
16 **Western juniper must be treated at treatment sites in this state of no**
17 **less than 100 acres in areas where treatment will provide the greatest**
18 **benefit to water resources and ecological health. A person selecting**
19 **areas for treatment and conducting treatment must:**

20 **“(1) Incorporate criteria from the western juniper management field**
21 **guide developed by the Oregon Watershed Enhancement Board, in-**

1 **cluding:**

2 **“(a) Conifer encroachment prioritization;**

3 **“(b) Hydrological prioritization, including a consideration of the**
4 **location of the proposed project site in relation to surface waters;**

5 **“(c) Biological prioritization, including resilience to disturbance and**
6 **resistance to exotic annual grasses; and**

7 **“(d) Canopy interspaces, including bunchgrass age classes and ex-**
8 **otic annual grasses or noxious weeds present at intermediate levels in**
9 **interspaces.**

10 **“(2) Seek to retain old growth juniper trees, as determined by tree**
11 **characteristics that include:**

12 **“(a) Flattened, rounded or uneven tops;**

13 **“(b) A spreading crown;**

14 **“(c) Large branches near the base of the tree;**

15 **“(d) Large, dead branches, missing bark and abundant light green**
16 **lichen;**

17 **“(e) Thick fibrous bark with well-developed vertical furrows; and**

18 **“(f) Leader growth in the upper quarter of the tree that is less than**
19 **one inch per year.**

20 **“(3) Conduct a pretreatment analysis of the treatment site that in-**
21 **cludes:**

22 **“(a) Risk assessments for annual grass weeds; and**

23 **“(b) An analysis of existing perennial understory to determine if**
24 **reseeding is required.**

25 **“(4) Develop any grazing plan for a treatment site in cooperation**
26 **with the landowner and the applicable soil and water conservation**
27 **district.**

28 **“(5) Develop a post-treatment maintenance plan for the treatment**
29 **site prior to beginning treatment.**

30 **“SECTION 4. (1)(a) A credit against taxes that are otherwise due**

1 under ORS chapter 316 or, if the taxpayer is a corporation, under ORS
2 chapter 317 or 318, is allowed to a taxpayer that is an electric utility
3 that purchases electricity produced using a fuel source that is at least
4 30 percent qualifying western juniper biomass.

5 “(b) A credit under this section may be claimed in the tax year in
6 which the credit is certified under subsection (3) of this section.

7 “(2) The credit allowed under this section shall be equal to \$40 per
8 megawatt hour of electricity produced using at least 30 percent quali-
9 fying western juniper biomass, but the credit allowed to a taxpayer
10 may not exceed \$_____ in any one tax year.

11 “(3)(a) The State Department of Energy shall establish by rule pro-
12 cedures for:

13 “(A) Certifying that qualifying western juniper biomass has been
14 treated in accordance with section 3 of this 2023 Act;

15 “(B) Ensuring that persons that provide qualifying western juniper
16 biomass to biomass energy producers include evidence of certification
17 of the qualifying western juniper biomass;

18 “(C) Verifying that electricity purchased by a taxpayer has been
19 produced using biomass that is at least 30 percent qualifying western
20 juniper biomass; and

21 “(D) Certifying the amount of the credit allowed to a taxpayer un-
22 der this section.

23 “(b) The department may charge and collect a fee from persons that
24 provide qualifying western juniper biomass to biomass energy produc-
25 ers for certification under this subsection. The fee may not exceed the
26 cost to the department of issuing certifications.

27 “(c) The department may charge and collect a fee from taxpayers
28 for certification of credits under this section. The fee may not exceed
29 the cost to the department of issuing certifications.

30 “(4) The credit allowed under this section shall be claimed on a

1 form prescribed by the Department of Revenue that contains the in-
2 formation required by the department.

3 “(5) A taxpayer shall maintain the written documentation of the
4 amount certified for the tax credit under this section in its records for
5 a period of at least five years after the tax year in which the credit is
6 claimed and provide the written documentation to the Department of
7 Revenue upon request.

8 “(6) The Department of Revenue may require that the State De-
9 partment of Energy provide information about the certification issued
10 under this section, if required by ORS 315.058.

11 “(7) The credit allowed under this section may not exceed the tax
12 liability of the taxpayer for the tax year.

13 “(8) Any tax credit otherwise allowable under this section that is
14 not used by the taxpayer in a particular tax year may be carried for-
15 ward and offset against the taxpayer’s tax liability for the next suc-
16 ceeding tax year. Any credit remaining unused in the next succeeding
17 tax year may be carried forward and used in the second succeeding tax
18 year, and likewise any credit not used in that second succeeding tax
19 year may be carried forward and used in the third succeeding tax year
20 but may not be carried forward for any tax year thereafter.

21 “(9) If a change in the taxable year of the taxpayer occurs as de-
22 scribed in ORS 314.085, or if the Department of Revenue terminates the
23 taxpayer’s taxable year under ORS 314.440, the credit allowed under
24 this section shall be prorated or computed in a manner consistent with
25 ORS 314.085.

26 “(10) A person that has earned a tax credit under this section may
27 transfer the credit to a taxpayer subject to tax under ORS chapter 316,
28 317 or 318. The transfer must comply with ORS 315.056.”.

29 In line 36, delete “3” and insert “5”.

30 On page 3, line 28, delete “2” and insert “4”.

1 In line 29, delete “4” and insert “6”.

2 in line 37, delete “2” and insert “4”.

3 Delete lines 39 and 40 and insert:

4 **“SECTION 7. Sections 2 to 4 of this 2023 Act apply to tax years be-**
5 **ginning on or after January 1, 2025, and before January 1, 2031.”.**

6 In line 41, delete “6” and insert “8”.

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