

**A-Engrossed  
House Bill 2181**

Ordered by the House April 29  
Including House Amendments dated April 29

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for State Department of Energy)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Authorizes local governments to establish local improvement district within which owners of **record** of qualifying residential and commercial property may receive loan financing [*of energy efficiency and renewable*] **for purpose of paying cost-effective** energy improvements to property.

Authorizes State Department of Energy to make loans to finance **cost-effective** energy [*efficiency*] improvements to existing real property in districts.

**A BILL FOR AN ACT**

1  
2 Relating to energy conserving improvements in existing buildings.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 223.387 to**  
5 **223.399.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **"Energy improvements" means energy efficiency and renewable energy improvements**  
8 **to qualifying real property authorized by:**

9 (A) **A local government implementing a program established under subsection (2) of this**  
10 **section; or**

11 (B) **The State Department of Energy for a loan issued under subsection (9) of this section**  
12 **to an owner of qualifying real property.**

13 (b) **"Local government" means cities and counties.**

14 (c) **"Qualifying real property" means single-family or multifamily residential dwellings or**  
15 **commercial or industrial buildings that the local government has determined can be bene-**  
16 **fited by energy improvements.**

17 (2) **Subject to subsection (3) of this section, a local government may establish a program**  
18 **to make loans to owners of record of qualifying real property for the purpose of paying for**  
19 **cost-effective energy improvements to the qualifying real property financed with the net**  
20 **proceeds and interest earnings of revenue bonds authorized by this section.**

21 (3) **Before establishing a program under this section, the local government shall provide**  
22 **notice to utilities that distribute electric energy or natural gas within the areas in which the**  
23 **local government will operate the program.**

24 (4) **A local government that establishes a program under this section may:**

25 (a) **Require performance of an energy audit on the qualifying real property before the**  
26 **local government approves a loan for energy improvements to the property;**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1       **(b) Impose requirements intended to ensure that the loan is consistent with the purpose**  
2 **of the program; and**

3       **(c) Impose requirements and conditions on loans that are designed to ensure timely re-**  
4 **payment of the loans.**

5       **(5) If the owner of record of qualifying real property requests a loan under this section,**  
6 **the local government implementing the program may:**

7       **(a) Enter into a loan agreement with the owner, and any other person benefited by the**  
8 **loan, in a principal amount sufficient to pay:**

9       **(A) The costs of energy improvements the local government determines will benefit the**  
10 **qualifying real property and the borrowers;**

11       **(B) The costs of the energy audit; and**

12       **(C) The costs and reserves of the program.**

13       **(b) Charge the borrower an interest rate on the principal amount that is sufficient to pay**  
14 **the financing costs of the program, including loan delinquencies.**

15       **(c) Charge periodic fees to pay for program costs.**

16       **(6) The local government implementing the program that lends money for qualifying real**  
17 **property may:**

18       **(a) Secure the loan with a lien on the benefited qualifying real property in the manner**  
19 **and with the same priority as a lien for assessments for local improvements authorized by**  
20 **ORS 223.393.**

21       **(b) Assess the benefited qualifying real property for the amounts due under a loan**  
22 **agreement.**

23       **(c) Enforce a lien and collect an assessment authorized by this section as provided in**  
24 **ORS 223.505 to 223.650.**

25       **(d) Secure a loan in any other manner that the local government determines is reason-**  
26 **able.**

27       **(7) In lieu of enforcing liens and collecting assessments as provided in subsection (6) of**  
28 **this section, a local government may certify the assessment, in the manner provided in ORS**  
29 **310.060, to the county assessor of each county in which benefited qualifying real property is**  
30 **located. If the assessments are certified as provided in this subsection, the county assessor**  
31 **shall:**

32       **(a) Enter the assessment upon the county assessment roll against the property described**  
33 **in the certificate, in the manner that other local government assessments are entered;**

34       **(b) Collect, account for and enforce the assessments in the manner that local govern-**  
35 **ment taxes are collected, accounted for and enforced; and**

36       **(c) Transfer, as provided by law, the assessments collected to the local government that**  
37 **imposed the assessment.**

38       **(8) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance**  
39 **program costs, including the costs of making loans for energy improvements.**

40       **(9) The State Department of Energy may lend money under the provisions of ORS 470.060**  
41 **to 470.080 and 470.090 to a local government that establishes a program under this section**  
42 **or, in cooperation with a local government implementing a program under this section, to**  
43 **owners of qualifying real property within the jurisdiction of the local government imple-**  
44 **menting a program under this section. If the department lends money under this section, the**  
45 **department, in cooperation with the Housing and Community Services Department, shall**

1 **establish by rule the type and extent of energy improvements a property owner may finance**  
2 **with a loan that will be made from money provided by the State Department of Energy. In**  
3 **establishing the type and extent of energy improvements that may be financed, the depart-**  
4 **ments shall consider the amount of energy that can be conserved and the cost-effectiveness**  
5 **of particular types of energy improvements.**

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