

House Bill 2535

Sponsored by Representative HELM, Senator BEYER; Representative NERON (Presession filed.)

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 **as introduced**.

Exempts from ad valorem property taxation property constituting hydrogen system used to produce hydrogen by electrolysis or from renewable natural gas. Sunsets on January 2, 2027.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax exemption for hydrogen systems; and prescribing an effective date.

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

4 **SECTION 1. (1)(a) Property constituting a hydrogen system that is used to produce hydrogen by electrolysis or from renewable natural gas is exempt from ad valorem property**
5 **taxation.**
6

7 (b) Such property includes, but is not limited to:

8 (A) An electrolyzer and associated equipment; and

9 (B) Equipment used to compress, store, transport or dispense hydrogen produced by the
10 hydrogen system.

11 (2) Notwithstanding ORS 307.110 and 308.505 to 308.674, any portion of the real property
12 to which a hydrogen system is affixed is exempt under this section if:

13 (a) The real property is otherwise exempt from ad valorem property taxation; and

14 (b) The hydrogen system is exempt under this section.

15 (3) The exemption under this section may be granted for the property tax year in which
16 construction of the hydrogen system begins and for the five succeeding property tax years.

17 **SECTION 2. Section 1 of this 2021 Act applies to property tax years beginning on or after**
18 **July 1, 2021.**

19 **SECTION 3. (1) Section 1 of this 2021 Act is repealed on January 2, 2027.**

20 (2) Notwithstanding the date specified in subsection (1) of this section, property consti-
21 tuting a hydrogen system shall continue to receive an exemption that was granted under
22 section 1 of this 2021 Act before the date specified in subsection (1) of this section according
23 to the terms, including the number of property tax years, in effect when the exemption was
24 granted, if the property otherwise continues to be eligible for the exemption on and after the
25 date specified in subsection (1) of this section.

26 **SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021**
27 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**
28

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.