

## **SB 1536 B -B6 STAFF MEASURE SUMMARY**

### **House Committee On Rules**

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**Prepared By:** Devin Edwards

**Meeting Dates:** 3/3

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#### **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.

Directs Oregon Health Authority (OHA) to create a program to acquire and distribute air conditioners and air filters on emergency basis to individuals eligible for medical assistance, adopt rules to implement the program, and appropriates \$5 million to OHA to implement the program. Requires the program administrator to: determine the percentage of program funds needed to support the costs of installation and materials for installation, as well as costs of program administration for OHA or third parties or for eligible distribution entities; maintain technical assistance resources for air conditioner or air filter recipients; and provide technical assistance to eligible distribution entities. Establishes that administration costs in total should be no more than 10 percent of the program. Requires OHA to make available a list of entities that distribute air conditioners and air filters through its programs to individuals eligible to receive medical assistance through OHA or the Department of Human Services (DHS), to the 2-1-1 system, and to OHCS. Establishes that OHA and any eligible distribution entity participating in the program are immune from civil liability for: the functioning, safety, or impact of any air conditioner or air filter distributed by the program; and any heat-related health impacts to an individual using an air conditioner or air filter distributed by the program. Adds Indian health center and manufactured dwelling park nonprofit cooperative to list of entities eligible to participate in Healthy Homes Program. Clarifies electric utility role as eligible entity. Adds improvements to reduce heat and electrical upgrades to types of repair and rehabilitation covered by program grants. Modifies "repair and rehabilitation" definitions in Healthy Homes Program (ORS 431A.400) to include: improvements that reduce the reflection of heat on or around the home including but not limited to trees, vegetation, or green roofs or cool roofs; and electrical upgrades that improve the safety of the

home or support or enable the use of energy efficiency upgrades such as heating and cooling devices.

Establishes Heat Pump Deployment Program within Oregon Department of Energy (ODOE) to provide and administer grants to entities to provide financial assistance, including loans, grants, rebates, or incentives, to one eligible entity for each region and federally recognized Indian tribe in Oregon to cover purchase and installation of heat pumps and related upgrades. Requires ODOE, in awarding grants, to give preference to eligible entities that have, but may not require, experience in administering state grant programs or programs similar to the Heat Pump Deployment Program, and experience with and connections to community program development within a region or with members of a tribe. Requires ODOE to develop criteria for allocating grant funds based on the energy burden of residences within a region or of members of a tribe and the climate zones of the counties that comprise that region or of tribal lands. Requires ODOE to permit a review of awarded grant funds by members of communities who may benefit from the Heat Pump Deployment Program. Requires ODOE, in consultation with electric utilities, Bonneville Power Administration, and the non-governmental entity that administers public purpose charge moneys, to set the minimum energy efficiency rating that a heat pump must have to be eligible for grant funds. Authorizes ODOE to: establish a maximum amount of grant funds payable towards the purchase and installation of a heat pump and related upgrades; permit the use of loans, grants, rebates, or incentives offered by an electric utility or other programs toward any costs of the purchase and installation of a heat pump and related upgrades not covered by the Heat Pump Deployment Program; establish incentives to encourage the purchase and installation of heat pumps and related upgrades that have higher efficiency ratings, and for the purchase and installation of a heating or cooling device with an efficiency rating similar to or higher than that of a heat pump and that provides co-benefits such as improving indoor air quality or lowering an individual's energy burden; develop program procedures and practices that align program reporting and other requirements with other loans, grants, rebates, or incentives offered by an electric utility or other programs; and require by rule that eligible entities notify electric utilities of heat pump installation and whether grant funds may be used for necessary electric distribution system upgrades associated with the installation of a heat pump. Requires eligible entities, before receiving a grant, to enter into a performance agreement with ODOE that contains certain provisions. Requires eligible entities that received grant funds to report to the department by June 30 of each year concerning the status and use of grant funds received. Requires ODOE to adopt rules related to the Heat Pump Deployment Program in consultation with the Bureau of Labor and Industries; the Building Codes Division of the Department of Consumer and Business Services; OHCS; the Department of Environmental Quality; OHA; electric utilities and utility program administrators; and nonprofit organizations, housing providers, heat pump technicians and other stakeholders as appropriate. Establishes Heat Pump Deployment Advisory Council (Council) consisting of representatives from eligible entities administering grant funds under the Heat Pump Deployment Program. Directs the Council to study and identify: best practices for and barriers to administering grant funds and providing financial assistance, and opportunities for providing technical assistance. Requires Council members be entitled to compensation and expenses. Requires ODOE to provide staff support to the Council. Establishes Heat Pump Deployment Fund and appropriates \$10 million to the Fund. Requires ODOE Director to submit a biennial report to the Legislative Assembly regarding the expenditures of moneys deposited in the Heat Pump Deployment Fund no later than December 31, 2023. Establishes the amount of \$5,548,537 for the biennium ending June 30, 2023, as the maximum limit for payment of expenses by ODOE from the Heat Pump Deployment, notwithstanding any other law limiting expenditures.

Establishes Residential Heat Pump Rebate Fund, authorizing 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

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Heat Pump Rebate Fund. Repeals Residential Heat Pump Rebate Fund on January 2, 2025, transferring unexpended funds to General Fund.

Appropriates \$2,000,000 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.

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 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:

#### EFFECT OF AMENDMENT:

-B6 Resolves conflict with Senate Bill 1533 Enrolled by changing “shelters for clean air, warming or cooling” to “spaces that provide cleaner air, warming or cooling,” and changing “shelter” to “spaces” in ORS 431A.410, 431A.412, and Section 32 of Senate Bill 1536 B.

#### 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 B limits restrictions on portable cooling devices in residences by landlords, homeowners associations, condominium associations and local governments. The measure creates the following programs: an Oregon Health Authority (OHA) program to acquire and distribute air conditioners and air filters on emergency basis to individuals eligible for medical assistance (\$5,000,000 appropriation); the Heat Pump Deployment Program within Oregon Department of Energy (ODOE) to provide and administer grants to entities to provide financial assistance, including loans, grants, rebates, or incentives, to one eligible entity for each region and federally recognized Indian tribe in Oregon to cover purchase and installation of heat pumps and related upgrades (\$10,000,000 appropriation); the Residential Heat Pump Rebate Fund within ODOE to provide rebates to owners of residential dwelling units and rented spaces in manufactured dwelling and recreational vehicle parks for

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purchase or installation of air-source or ground-source heat pumps (\$15,000,000 appropriation), repealed on January 2, 2025; and an ODOE program to provide grants to the 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 (\$2,000,000 appropriation). The measure directs ODOE with assistance from the 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, requiring ODOE to report to an interim committee of the Legislative Assembly no later than September 15, 2023 (\$500,000 appropriation). The measure expands a 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; appropriating \$2,000,000 to DHS.