

**SB 145 STAFF MEASURE SUMMARY**

**Senate Committee On Energy and Environment**

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**Prepared By:** Beth Reiley, LPRO Analyst

**Sub-Referral To:** Joint Committee On Tax Expenditures

**Meeting Dates:** 2/7

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**WHAT THE MEASURE DOES:**

Creates a sunset on July 1, 2032 for the tax exemption for the property of certain cooperatives used to heat hot water by combustion of biomass.

*REVENUE: May have revenue impact, but no statement yet issued*

*FISCAL: May have fiscal impact, but no statement yet issued*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The most common method of converting biomass to electricity is through direct-fired combustion. Biomass is burned in a boiler to generate steam, which turns a turbine and generates electricity. Most biomass resources are secondary products, such as lumber mill residue, logging slash, and animal manure. Under current law, property that is owned or used by a predominately public-owned cooperative for the purpose of providing steam or hot water heat by combustion of biomass is exempt from property tax for property tax years beginning on or after July 1, 2019. The cooperative corporation must meet the Oregon statutory definition of cooperative and be subject to central assessment by the Department of Revenue. At least 50 percent of the interest in the cooperative must be owned by public entities that are themselves exempt from property tax.

Senate Bill 145 would sunset the tax exemption for the property of certain cooperatives used to heat hot water by combustion of biomass on July 1, 2032.