

**SB 145 STAFF MEASURE SUMMARY**

**Senate Committee On Energy and Environment**

---

**Action Date:** 03/21/23

**Action:** Do pass and refer to Tax Expenditures by prior reference.

**Vote:** 5-0-0-0

**Yeas:** 5 - Findley, Golden, Hayden, Lieber, Sollman

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

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

**Meeting Dates:** 2/7, 3/21

---

**WHAT THE MEASURE DOES:**

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

**ISSUES DISCUSSED:**

- Legislative history
- Original intent of legislation
- Role of impacted counties in evaluating programs
- Examples of types of entities that could use property tax exemption

**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 owned or used by certain cooperatives used for the purpose of heating water by the combustion of biomass on July 1, 2032.