

Requested by Representative LIVELY

**PROPOSED AMENDMENTS TO
HOUSE BILL 2567**

1 On page 1 of the printed bill, line 2, delete “section” and insert “sections
2 19, 20, 21 and”.

3 On page 5, delete lines 10 through 22 and insert:

4 **“SECTION 2.** Section 19, chapter 86, Oregon Laws 2022, is amended to
5 read:

6 **“Sec. 19.** (1) The State Department of Energy shall provide rebates for
7 the purchase and installation of air-source or ground-source heat pumps to
8 owners of a dwelling unit used as a residential tenancy and to owners of a
9 manufactured dwelling or recreational vehicle who rent a space in a manu-
10 factured dwelling or recreational vehicle park.

11 “(2)(a) Rebates available under this section may only be claimed by a
12 contractor that installs a heat pump for the owner of a residential dwelling
13 unit in Oregon. A contractor that claims a rebate under this section must
14 use the full amount of the rebate to reduce the net cost to the customer of
15 the purchase of the heat pump for which the rebate is issued.

16 “(b) The amount that may be claimed as a rebate under this section may
17 not exceed:

18 “(A) For the owner of a dwelling unit used as a residential tenancy, 60
19 percent of the purchase price of the heat pump.

20 “(B) For the owner of a manufactured dwelling or recreation vehicle, a
21 percentage of the purchase price of the heat pump as established by the de-

1 partment.

2 “(c) To be eligible to claim a rebate on behalf of a customer under this
3 section, a contractor that installs a heat pump must, at the time of the in-
4 stallation:

5 “(A) Hold any license, bond, insurance or permit required to sell and in-
6 stall the heat pump;

7 “(B) Demonstrate a history of compliance with the rules and other re-
8 quirements of the Construction Contractors Board, the Bureau of Labor and
9 Industries and the Workers’ Compensation Division and the Occupational
10 Safety and Health Division of the Department of Consumer and Business
11 Services; and

12 “(C) Meet any other certification requirements set forth in rules adopted
13 by the State Department of Energy.

14 **“(3)(a) The department may provide an incentive amount that is in
15 addition to the amount of a rebate made under this section as an in-
16 centive for contractors to install air-source or ground-source heat
17 pumps in rural or frontier communities.**

18 **“(b) The department shall establish the incentive amount, not to
19 exceed \$1,000, and may establish different incentive amounts for rural
20 communities and frontier communities.**

21 **“(c) An incentive may be claimed by a contractor that installs a
22 heat pump for the owner of a residential dwelling unit that is located
23 in a rural or frontier community under rules adopted by the depart-
24 ment and meets all other requirements to claim a rebate under this
25 section. A contractor may reserve or claim an incentive as part of
26 reserving or claiming a rebate. A contractor may claim one incentive
27 for each installation that the contractor claims a rebate.**

28 “[3] (4) To claim a rebate under this section, a contractor must:

29 “(a) Before installing a heat pump, apply to the department to reserve a
30 rebate on behalf of the customer for whom the heat pump will be installed.

1 “(b) After installing the heat pump, verify the purchase and installation
2 of the heat pump on a form provided by the department that must contain:

3 “(A) The location of the heat pump;

4 “(B) A description of the heat pump;

5 “(C) Evidence that the contractor is eligible to claim a rebate under
6 subsection (2)(c) of this section;

7 “(D) A statement signed by both the contractor and the customer for
8 whom the heat pump is installed that the customer has received the full
9 value of the rebate as a reduction in the net cost of the purchase and in-
10 stallation of the heat pump and that the rebate was clearly reflected on an
11 invoice provided to the customer;

12 “(E) The projected energy savings from the installation of the heat pump;
13 and

14 “(F) Any other information that the department determines is necessary.

15 “[4] (5) Rebates, **including incentives**, made under this section must
16 be made from moneys in the Residential Heat Pump Fund established under
17 section 21, **chapter 86, Oregon Laws 2022** [*of this 2022 Act*]. A rebate may
18 be made only if there are moneys available in the fund to make the rebate.

19 “[5] (6) Pursuant to the procedures for a contested case under ORS
20 chapter 183, the department may:

21 “(a) Deny or revoke a contractor’s eligibility to claim a rebate on behalf
22 of a customer under this section if the department finds that:

23 “(A) The contractor’s eligibility was obtained by fraud or misrepresen-
24 tation by the contractor;

25 “(B) The contractor’s performance for installation of heat pumps does not
26 meet industry standards; or

27 “(C) The contractor has misrepresented to customers either the program
28 established under this section or the nature or quality of the heat pumps for
29 which rebates are available.

30 “(b) Revoke a rebate or a portion of a rebate made under this section if

1 the department finds that:

2 “(A) The rebate was obtained by fraud or misrepresentation; or

3 “(B) The rebate was obtained by mistake or miscalculation.

4 “[~~(6)(a)~~] **(7)(a)** The department may adopt rules to administer the rebate
5 program.

6 “(b) In adopting rules under this section, the department may coordinate
7 or consult with:

8 “(A) The Housing and Community Services Department, the Building
9 Codes Division of the Department of Consumer and Business Services and
10 any other relevant state agencies;

11 “(B) Nonprofit organizations and utilities; and

12 “(C) Other incentive providers.

13 “(c) Rules adopted under this section may include:

14 “(A) Preferences for providing rebates that benefit low and moderate in-
15 come residential tenants;

16 “(B) Preferences for providing rebates to support heat pumps with supe-
17 rior energy efficiency;

18 “(C) Provisions for determining eligibility and verification of heat pumps;
19 and

20 “(D) Policies and procedures for the administration and enforcement of
21 this section and section 21, **chapter 86, Oregon Laws 2022** [*of this 2022*
22 *Act*], which may include policies and procedures for audits and inspections.

23 “**SECTION 3.** Section 20, chapter 86, Oregon Laws 2022, is amended to
24 read:

25 “**Sec. 20.** (1) The State Department of Energy shall provide grants for
26 upgrades, including electrical and mechanical upgrades, to facilitate the in-
27 stallation of heat pumps for owners of a dwelling unit or a manufactured
28 dwelling for whom a rebate has been reserved under section 19 [~~(3)(a)~~] **(4)(a)**,
29 **chapter 86, Oregon Laws 2022** [*of this 2022 Act*].

30 “(2) Grants made under this section must be made from moneys in the

1 Residential Heat Pump Fund established under section 21, **chapter 86,**
2 **Oregon Laws 2022** [*of this 2022 Act*]. A grant may be made only if there are
3 moneys available in the fund to make the grant.

4 “(3)(a) The department shall adopt rules to administer the grant program.

5 “(b) In adopting rules under this section, the department may coordinate
6 or consult with:

7 “(A) The Housing and Community Services Department, the Building
8 Codes Division of the Department of Consumer and Business Services, the
9 United States Department of Energy and any other relevant agencies;

10 “(B) Nonprofit organizations and utilities; and

11 “(C) Other incentive providers.

12 “(c) Rules adopted under this section must include:

13 “(A) Preferences for providing grants that benefit low and moderate in-
14 come residential tenants;

15 “(B) Provisions for determining eligibility and verification of the up-
16 grades; and

17 “(C) Policies and procedures for the administration and enforcement of
18 this section.

19 **“SECTION 4.** Section 21, chapter 86, Oregon Laws 2022, as amended by
20 section 75, chapter 442, Oregon Laws 2023, is amended to read:

21 **“Sec. 21.** (1) The Residential Heat Pump Fund is established in the State
22 Treasury, separate and distinct from the General Fund. Moneys in the Resi-
23 dential Heat Pump Fund consist of:

24 “(a) Amounts donated to the fund;

25 “(b) Amounts appropriated or otherwise transferred to the fund by the
26 Legislative Assembly; and

27 “(c) Other amounts deposited into the fund from any public or private
28 source.

29 “(2) Moneys in the fund are continuously appropriated to the State De-
30 partment of Energy to be used to provide grants and rebates under sections

1 19 and 20, chapter 86, Oregon Laws 2022, and to pay the costs and expenses
2 of the department related to the administration and implementation of
3 sections 19 and 20, chapter 86, Oregon Laws 2022.

4 “(3) In each calendar year, of the moneys available for issuing grants and
5 rebate from the fund:

6 “(a) 25 percent must be reserved for affordable housing providers; [and]

7 “(b) 25 percent must be reserved for owners of units occupied by low or
8 moderate income households; **and**

9 **“(c) No more than five percent may be reserved or used to provide
10 incentives under section 19 (3), chapter 86, Oregon Laws 2022.**

11 **“SECTION 5.** Section 23, chapter 86, Oregon Laws 2022, as amended by
12 section 76, chapter 442, Oregon Laws 2023, is amended to read:

13 **“Sec. 23.** (1) Sections 19 to 21, chapter 86, Oregon Laws 2022, are repealed
14 on January 2, [2026] **2032.**

15 **“(2) Section 6 of this 2025 Act is repealed on January 2, 2032.**

16 **“[(2)] (3)** On the date of the repeal of sections 19 to 21, chapter 86, Oregon
17 Laws 2022, under subsection (1) of this section, any moneys in the Residen-
18 tial Heat Pump Fund that are unexpended, unobligated and not subject to
19 any conditions or reservations under section 19 [(3)(a)] **(4)(a)**, chapter 86,
20 Oregon Laws 2022, are transferred to the General Fund.

21 **“SECTION 6. Not later than November 30 of each even-numbered
22 year, the State Department of Energy shall provide a report to the
23 Legislative Assembly, in the manner provided in ORS 192.245, on the
24 heat pump grants and rebates under sections 19 and 20, chapter 86,
25 Oregon Laws 2022.”.**

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