

West's Oregon Revised Statutes Annotated  
Title 21. Cities  
Chapter 223. Local Improvements and Works Generally  
Local Government Programs to Finance Certain Improvements

O.R.S. § 223.680  
Formerly cited as OR ST § 223.396

223.680. Assistance to qualifying real property owners to finance cost-effective energy improvements

Currentness

(1) As used in this section:

(a) "Local government" means cities and counties.

(b) "Qualifying real property" means multifamily residential dwellings or commercial or industrial buildings that the local government has determined can be benefited by utilities improvements.

(c) "Utilities improvements" means improvements to qualifying real property for any of the following purposes:

(A) Energy efficiency.

(B) Renewable energy.

(C) Energy storage.

(D) Smart electric vehicle charging stations.

(E) Water efficiency.

(2)(a) Subject to subsection (3) of this section, a local government may establish a program to assist owners of record of qualifying real property in financing cost-effective utilities improvements to the qualifying real property.

(b) The utilities improvements must be authorized by:

(A) A local government implementing a program established under this section; or

(B) The State Department of Energy for a loan issued under subsection (10) of this section to a local government that establishes a program in cooperation with a local government described in subparagraph (A) of this paragraph.

(c) A program established pursuant to this subsection may provide for the local government to:

(A) Make loans to owners financed with the net proceeds and interest earnings of revenue bonds authorized by subsection (9) of this section;

(B) Facilitate private financing by the owners; or

(C) Make loans under subparagraph (A) of this paragraph and facilitate private financing under subparagraph (B) of this paragraph.

(3) Before establishing a program under this section, the local government shall provide notice to utilities that distribute electric energy, natural gas or water within the areas in which the local government will operate the program.

(4) A local government that establishes a program under this section may:

(a) Require performance of an energy or water audit on the qualifying real property before the local government approves a loan for utilities improvements to the property;

(b) Impose requirements intended to ensure that the costs of the improvements financed under this section do not exceed the cumulative cost savings of the improvements over the useful life of the improvements; and

(c) Impose requirements and conditions on loans or financing agreements that are designed to ensure timely repayment.

(5)(a) If the owner of record of qualifying real property requests financing pursuant to a program established under this section, subject to subsection (6) of this section, the local government implementing the program may:

(A) Enter into a loan agreement with the owner, and any other person benefited by the loan; or

(B) Facilitate a financing agreement for the owner, and any other person benefited by the financing.

(b) A loan agreement or financing agreement entered into pursuant to paragraph (a) of this subsection must be in a principal amount sufficient to pay:

(A) The costs of utilities improvements the local government determines will benefit the qualifying real property and the borrowers;

(B) The costs of the energy or water audit; and

(C) The costs and reserves of the program.

(c) A local government acting pursuant to paragraph (a) of this subsection may:

(A) If the local government makes a loan, charge the borrower an interest rate on the principal amount that is sufficient to pay the financing costs of the loan program, including loan delinquencies; and

(B) Charge periodic fees to pay for program costs.

(6) A local government may not enter into a loan agreement, or facilitate a financing agreement, under subsection (5) of this section unless the owner has:

(a) Provided written notice to all mortgagees of the qualifying real property that the owner intends to enter into a loan agreement or financing agreement under this section; and

(b) Received written consent from the mortgagees stating that the loan agreement or financing agreement entered into under this section does not constitute an event of default or give rise to any remedies under the terms of the mortgage loan agreements.

(7) The local government implementing a program established under this section may:

(a) Secure a loan or financing with a lien on the benefited qualifying real property with the same priority, as determined under ORS 223.230 (3), as a lien for assessments for local improvements arising under ORS 223.393.

(b) Assess the benefited qualifying real property for the amounts due under a loan agreement or financing agreement.

(c) Enforce a lien and collect an assessment authorized by this section as provided in ORS 223.505 to 223.650.

(d) Secure a loan or financing in any other manner that the local government determines is reasonable.

(8)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (7)(c) of this section, a local government may certify the assessment, in the manner provided in ORS 310.060, to the county assessor of each county in which benefited qualifying real property is located.

(b) If the assessments are certified as provided in this subsection, the county assessor shall:

(A) Enter the assessment upon the county assessment roll against the property described in the certificate, in the manner that other local government assessments are entered;

(B) Collect, account for and enforce the assessments in the manner that local government property taxes are collected, accounted for and enforced; and

(C) Transfer, as provided by law, the assessments collected to the local government that imposed the assessment.

(9) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance the costs of a program established under this section, including the costs of making loans for utilities improvements.

(10) The State Department of Energy may lend money under the provisions of ORS 470.060 to 470.080 and 470.090 to a local government that establishes a program under this section in cooperation with a local government implementing a program under this section.

#### **Credits**

Renumbered from 223.396 in 2015 by the Legislative Counsel. Amended by Laws 2017, c. 283, § 1, eff. Oct. 6, 2017.

O. R. S. § 223.680, OR ST § 223.680

Current through laws enacted in the 2022 Regular Session of the 81st Legislative Assembly, which convened February 1, 2022 and adjourned sine die March 4, 2022, pending classification of undesignated material and text revision by the Oregon Reviser. See ORS 173.160. Coverage also includes 2022 Ballot Measures 111-114, decided by the voters at the November 8, 2022 general election. Some statute sections may be more current, see credits for details.