

CHAPTER 86

AN ACT

SB 1536

Relating to indoor temperature control; creating new provisions; amending ORS 90.320, 90.730, 94.779, 100.023, 197.772, 431A.400, 431A.410 and 431A.412; repealing sections 1 and 1a, chapter 85, Oregon Laws 2022 (Enrolled Senate Bill 1533); and declaring an emergency.

Whereas the frequency and severity of extreme weather events and wildfires affecting Oregonians has increased in recent years and is expected to increase further; and

Whereas the impacts of extreme weather events such as cold snaps and heat domes have a disproportionate impact on low-income communities and members of environmental justice communities; and

Whereas heating, cooling or air filtration technologies may increase electricity use and can impact the energy burden of low-income residential customers and residential customers who are members of environmental justice communities; and

Whereas energy efficient air conditioners and heat pumps and other energy burden mitigation measures can save renters and homeowners money on utility bills and improve the comfort and habitability of dwellings; now, therefore,

Be It Enacted by the People of the State of Oregon:

PORTABLE COOLING DEVICES

SECTION 1. Section 2 of this 2022 Act is added to and made a part of ORS chapter 90.

SECTION 2. (1) As used in this section:

(a) "Extreme heat event" means a day on which National Weather Service of the National Oceanic and Atmospheric Administration has predicted or indicated that there exists a heat index of extreme caution for the county.

(b) "Portable cooling device" includes air conditioners and evaporative coolers, including devices mounted in a window or that are designed to sit on the floor but not including devices whose installation or use requires alteration to the dwelling unit.

(2) A landlord may not prohibit or restrict a tenant from installing or using a portable cooling device of the tenant's choosing, unless:

(a) The installation or use of the device would:

(A) Violate building codes or state or federal law;

(B) Violate the device manufacture's written safety guidelines for the device;

(C) Damage the premises or render the premises uninhabitable; or

(D) Require amperage to power the device that cannot be accommodated by the power service to the building, dwelling unit or circuit;

(b) If the device would be installed in a window:

(A) The window is a necessary egress from the dwelling unit;

(B) The device would interfere with the tenant's ability to lock a window that is accessible from outside;

(C) The device requires the use of brackets or other hardware that would damage or void the warranty of the window or frame, puncture the envelope of the building or otherwise cause significant damages;

(D) The restrictions require that the device be adequately drained to prevent damage to the dwelling unit or building; or

(E) The restrictions require that the device be installed in a manner that prevents risk of falling; or

(c) The restrictions require that the device be:

(A) Installed or removed by the landlord or landlord's agent;

(B) Subject to inspection or servicing by the landlord or landlord's agent; or

(C) Removed from October 1 through April 30.

(3) A landlord may not enforce a restriction on portable cooling devices against a tenant allowed under subsection (2) of this section unless the restrictions are in writing and delivered to the tenant. The written restrictions must include whether the landlord intends to operate, whenever there is an extreme heat event for the county of the premises, one or more community cooling spaces available to the tenant that are located on or near the premises and that maintain a temperature of not higher than 80 degrees Fahrenheit.

(4) A landlord is immune from liability for any claim for damages, injury or death caused by a portable cooling device installed by the tenant.

(5) A landlord who must limit portable cooling devices for a building under subsection (2)(a)(D) of this section shall prioritize allowing the use of devices for individuals who require a device to accommodate a disability. A landlord is not responsible for any interruption in electrical service that is not caused by the landlord, including interruptions caused by an electrical supply's inability to accommodate use of a portable cooling device.

(6) If a landlord issues a termination notice under ORS 90.392 or 90.630 based on a violation of a restriction regulating a portable cooling device allowed under subsection (2) of this section:

(a) On each day that there is an extreme heat event for the county of the premises, the notice period described in ORS 90.392 (3), (4), (5) or (6) or 90.630 (1), (3) or (6) does not run.

(b) The termination notice must state:

(A) The deadline of a cure period designated in the notice, if any;

(B) That the date of termination specified in the notice will be extended by one day for each day that there is an extreme heat event for the county of the premises; and

(C) That information regarding days with an extreme heat event can be found on the website for the Housing and Community Services Department.

SECTION 3. ORS 94.779 is amended to read:

94.779. (1) A provision of a planned community's governing document or landscaping or architectural guidelines that imposes irrigation requirements on an owner or the association is void and unenforceable while any of the following is in effect:

(a) A declaration by the Governor that a severe, continuing drought exists or is likely to occur in a political subdivision within which the planned community is located;

(b) A finding by the Water Resources Commission that a severe, continuing drought exists or is likely to occur in a political subdivision within which the planned community is located;

(c) An ordinance adopted by the governing body of a political subdivision within which the planned community is located that requires conservation or curtailment of water use; or

(d) A rule adopted by the association under subsection (2) of this section to reduce or eliminate irrigation water use.

(2) Notwithstanding any provision of a planned community's governing documents or landscaping or architectural guidelines imposing irrigation requirements on an owner or the association, an association may adopt rules that:

(a) Require the reduction or elimination of irrigation on any portion of the planned community.

(b) Permit or require the replacement of turf or other landscape vegetation with xeriscape on any portion of the planned community.

(c) Require prior review and approval by the association or its designee of any plans by an owner or the association to replace turf or other landscape vegetation with xeriscape.

(d) Require the use of best practices and industry standards to reduce the landscaped areas and minimize irrigation of existing landscaped areas of common property where turf is necessary for the function of the landscaped area.

(3) Except as provided in subsections (4) and (5) of this section, **if adopted on or after January 1, 2018**, the following provisions of a planned community's governing document are void and unenforceable:

(a) A provision that prohibits or restricts the use of the owner's unit or lot as the premises of an exempt family child care provider participating in the subsidy program under ORS 329A.500; or

(b) If the unit does not share a wall, floor or ceiling surface in common with another unit, a provision that prohibits or restricts the use of the

owner's unit or lot as a certified or registered family child care home pursuant to ORS 329A.250 to 329A.450.

(4) Subsection (3) of this section does not prohibit a homeowners association from adopting or enforcing a provision of the planned community's governing document that regulates parking, noise, odors, nuisance, use of common property or activities that impact the cost of insurance policies held by the planned community, provided the provision:

(a) Is reasonable; and

(b) Does not have the effect of prohibiting or restricting the use of a unit or lot as the premises of an exempt family child care provider participating in the subsidy program under ORS 329A.500 or as a certified or registered family child care home pursuant to ORS 329A.250 to 329A.450.

(5)(a) Subsection (3) of this section does not apply to planned communities that provide housing for older persons.

(b) As used in this subsection, "housing for older persons" has the meaning given that term in ORS 659A.421.

(6) A provision in a planned community's governing document that restricts or prohibits the installation or use of a portable cooling device, as defined in section 2 (1) of this 2022 Act, is void and unenforceable, unless:

(a) The installation or use of the device would:

(A) Violate building codes or state or federal law; or

(B) Violate the device manufacturer's written safety guidelines for the device; or

(b) The restrictions are only to require that the device be removed from October 1 through April 30.

SECTION 4. ORS 100.023 is amended to read:

100.023. (1) A provision of a condominium's governing document or landscaping or architectural guidelines that imposes irrigation requirements on a unit owner or the association is void and unenforceable while any of the following is in effect:

(a) A declaration by the Governor that a severe, continuing drought exists or is likely to occur in a political subdivision within which the condominium is located;

(b) A finding by the Water Resources Commission that a severe, continuing drought exists or is likely to occur in a political subdivision within which the condominium is located;

(c) An ordinance adopted by the governing body of a political subdivision within which the condominium is located that requires conservation or curtailment of water use; or

(d) A rule adopted by the association under subsection (2) of this section to reduce or eliminate irrigation water use.

(2) Notwithstanding any provision of a condominium's governing document or landscaping or architectural guidelines imposing irrigation re-

quirements on a unit owner or the association, an association may adopt rules that:

(a) Require the reduction or elimination of irrigation on any portion of the condominium.

(b) Permit or require the replacement of turf or other landscape vegetation with xeriscape on any portion of the condominium.

(c) Require prior review and approval by the association or its designee of any plans by a unit owner or the association to replace turf or other landscape vegetation with xeriscape.

(d) Require the use of best practices and industry standards to reduce the landscaped areas and minimize irrigation of existing landscaped general common elements where turf is necessary for the function of the general common elements.

(3) Except as provided in subsections (4) and (5) of this section, **if adopted after January 1, 2018**, the following provisions of a condominium’s governing document are void and unenforceable:

(a) A provision that prohibits or restricts the use of the unit owner’s condominium unit or any limited common element designated for exclusive use by the occupants of the unit as the premises of an exempt family child care provider participating in the subsidy program under ORS 329A.500; or

(b) If the condominium unit does not share a wall, floor or ceiling surface in common with another unit, a provision that prohibits or restricts the use of the unit owner’s condominium unit or any limited common element designated for exclusive use by the occupants of the unit as a certified or registered family child care home pursuant to ORS 329A.250 to 329A.450.

(4) Subsection (3) of this section does not prohibit an association of unit owners from adopting or enforcing a provision of the condominium’s governing document that regulates parking, noise, odors, nuisance, use of common elements or activities that impact the cost of insurance policies held by the condominium, provided the provision:

(a) Is reasonable; and

(b) Does not have the effect of prohibiting or restricting the use of a unit as the premises of an exempt family child care provider participating in the subsidy program under ORS 329A.500 or as a certified or registered family child care home pursuant to ORS 329A.250 to 329A.450.

(5)(a) Subsection (3) of this section does not apply to condominiums that provide housing for older persons.

(b) As used in this subsection, “housing for older persons” has the meaning given that term in ORS 659A.421.

(6) A provision in a condominium’s governing document that restricts or prohibits the installation or use of a portable cooling device, as defined in section 2 (1) of this 2022 Act, is void and unenforceable, unless:

(a) **The installation or use of the device would:**

(A) Violate building codes or state or federal law;

(B) Violate the device manufacture’s written safety guidelines for the device;

(C) Interfere with the common elements of the condominium; or

(D) Require amperage to power the device that cannot be accommodated by the power service to the building, unit or circuit;

(b) The device would be installed in a window and:

(A) The window is a necessary egress from the unit;

(B) The device would interfere with the unit owner’s ability to lock a window that is accessible from outside;

(C) Requires the use of brackets or other hardware that would damage or void the warranty of the window or frame, puncture the envelope of the building or otherwise cause significant damages;

(D) The restrictions require that the device be adequately drained to prevent damage to the dwelling unit or building; or

(E) The restrictions require that the device be installed in a manner that prevents risk of falling; or

(c) The restrictions are only to require that the device be:

(A) Installed by building maintenance or a licensed contractor; or

(B) Removed from October 1 through April 30.

SECTION 5. ORS 197.772 is amended to read:

197.772. (1) Notwithstanding any other provision of law, a local government shall allow a property owner to refuse to consent to any form of historic property designation at any point during the designation process. Such refusal to consent shall remove the property from any form of consideration for historic property designation under ORS 358.480 to 358.545 or other law, except for consideration or nomination to the National Register of Historic Places pursuant to the National Historic Preservation Act of 1966, as amended (54 U.S.C. 300101 et seq.).

(2) A permit for the demolition or modification of property removed from consideration for historic property designation under subsection (1) of this section may not be issued during the 120-day period following the date of the property owner’s refusal to consent.

(3) A local government shall allow a property owner to remove from the property a historic property designation that was imposed on the property by the local government.

(4) A local government may not enforce any ordinance or design regulation restricting the use of a portable cooling device, as defined in section 2 (1) of this 2022 Act, based on a historic property designation for property used as a residential tenancy, unless:

(a) The restriction is necessary to protect or prohibit the removal of historical architectural features of the property; or

(b) The restriction only requires that the device be removed from October 1 through April 30.

SECTION 6. (1) Section 2 of this 2022 Act applies to tenancies commenced before, on or after the effective date of this 2022 Act.

(2) The amendments to ORS 94.779 by section 3 of this 2022 Act apply to provisions in governing documents adopted before, on or after the effective date of this 2022 Act.

(3) The amendments to ORS 100.023 by section 4 of this 2022 Act apply to provisions in a condominium's governing document adopted before, on or after the effective date of this 2022 Act.

(4) The amendments to ORS 197.772 by section 5 of this 2022 Act apply to ordinances and design regulations adopted by a local government before, on or after the effective date of this 2022 Act.

AIR CONDITIONER AND AIR FILTER DEPLOYMENT PROGRAM

SECTION 7. (1) As used in this section:

(a) "Air conditioner" means a portable, stand-up air conditioner that has an energy efficiency ratio rating of eight or higher.

(b)(A) "Air filter" means an air filtering device that uses a high-efficiency particulate air (HEPA) filter to remove contaminating particles from the air.

(B) "Air filter" does not include a device that is labeled an "air purifier" and that uses an electrostatic or ionizing process.

(c) "Eligible distribution entity" means a:

(A) Local government as defined in ORS 174.116;

(B) Local housing authority;

(C) Nonprofit organization;

(D) Federally recognized Indian tribe in Oregon;

(E) Indian health center;

(F) Coordinated care organization as defined in ORS 414.025;

(G) Community action agency as described in ORS 458.505;

(H) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803;

(I) Landlord that has a residential tenant who has received medical assistance through the Oregon Health Authority, the Department of Human Services or Medicare within the past 12 months;

(J) Electric utility as defined in ORS 757.600; or

(K) Natural gas utility as defined in ORS 757.392.

(d) "Medical assistance" has the meaning given that term in ORS 414.025.

(2)(a) The Oregon Health Authority shall create a program to:

(A) Acquire a supply of air conditioners and air filters; and

(B) Distribute the air conditioners and air filters to eligible distribution entities that will provide the air conditioners and air filters on an emergency basis to eligible individuals as described in subsection (4) of this section.

(b) The Oregon Health Authority may provide or contract with one or more third parties to administer the program.

(3) The administrator of the program shall:

(a) Determine the percentage of program funds needed to support the costs of installation and materials for installation.

(b) Determine the percentage of program funds, but no more than 10 percent of program funds, needed to cover the costs of the authority or a third party or parties and eligible distribution entities in administering the program.

(c) Make technical assistance resources available to individuals who receive an air conditioner or air filter under the program that answer questions about the installation, use and maintenance of the air conditioners and air filters.

(d) Provide technical assistance to eligible distribution entities, including assistance that supports the distribution, installation and maintenance of the air conditioners and air filters.

(4) An eligible distribution entity may distribute air conditioners and air filters under this section only to individuals who:

(a) Are eligible to receive medical assistance through the Oregon Health Authority, the Department of Human Services or Medicare, or have received any of these services in the past 12 months;

(b) Reside in any type of housing or recreational vehicle, as defined in ORS 174.101, that has electricity for operating the air conditioner or air filter; and

(c) Upon receiving an air conditioner or air filter, provide an attestation that the individual can safely and legally install the air conditioner or air filter in the individual's home or recreational vehicle.

(5) The Oregon Health Authority shall make available a list of eligible distribution entities participating in the program to:

(a) Individuals who are eligible to receive medical assistance through the Oregon Health Authority or Department of Human Services.

(b) The 2-1-1 system provided for in ORS 403.400 to 403.430.

(c) The Housing and Community Services Department.

(6) The Oregon Health Authority and any eligible distribution entity participating in the program are immune from civil liability for:

(a) The functioning, safety or impact of any air conditioner or air filter distributed by the program.

(b) Any heat-related health impacts to an individual using an air conditioner or air filter distributed by the program.

(7) The Oregon Health Authority shall adopt rules to implement the program.

SECTION 8. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Health Authority, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$5,000,000, for the program created under section 7 of this 2022 Act.

**HOUSING AND COMMUNITY SERVICES
DEPARTMENT WEBSITE**

SECTION 9. Section 10 of this 2022 Act is added to and made a part of ORS chapter 458.

SECTION 10. The Housing and Community Services Department shall make available on the department's website:

(1) A list of dates and counties in which there exists an extreme heat event as defined in section 2 of this 2022 Act. Dates published on the website must remain on the website for at least one year.

(2) Information regarding relevant programs and services available to landlords to provide adequate cooling under ORS 90.320 (1)(m) or 90.730 (3)(d), including:

(a) Programs administered by the department;

(b) Information provided by the Oregon Health Authority regarding programs administered by the authority, including the list of eligible distribution entities compiled under section 7 (5) of this 2022 Act;

(c) Information provided by the State Department of Energy regarding programs administered by the department;

(d) Programs administered by the nongovernmental entity that administers public purpose charge moneys under ORS 757.612 (3)(d); and

(e) Federal programs, rebates or incentives, including those administered by the Bonneville Power Administration.

COOLING REQUIREMENTS IN NEW UNITS

SECTION 11. ORS 90.320 is amended to read:

90.320. (1) A landlord shall at all times during the tenancy maintain the dwelling unit in a habitable condition. For purposes of this section, a

dwelling unit shall be considered uninhabitable if it substantially lacks:

(a) Effective waterproofing and weather protection of roof and exterior walls, including windows and doors;

(b) Plumbing facilities that conform to applicable law in effect at the time of installation[,] and are maintained in good working order;

(c) A water supply approved under applicable law that is:

(A) Under the control of the tenant or landlord and is capable of producing hot and cold running water;

(B) Furnished to appropriate fixtures;

(C) Connected to a sewage disposal system approved under applicable law; and

(D) Maintained so as to provide safe drinking water and to be in good working order to the extent that the system can be controlled by the landlord;

(d) Adequate heating facilities that conform to applicable law at the time of installation and are maintained in good working order;

(e) Electrical lighting with wiring and electrical equipment that conform to applicable law at the time of installation and is maintained in good working order;

(f) Buildings, grounds and appurtenances at the time of the commencement of the rental agreement in every part safe for normal and reasonably foreseeable uses, clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin, and all areas under control of the landlord kept in every part safe for normal and reasonably foreseeable uses, clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin;

(g) Except as otherwise provided by local ordinance or by written agreement between the landlord and the tenant, an adequate number of appropriate receptacles for garbage and rubbish in clean condition and good repair at the time of the commencement of the rental agreement, and the landlord shall provide and maintain appropriate serviceable receptacles thereafter and arrange for their removal;

(h) Floors, walls, ceilings, stairways and railings maintained in good repair;

(i) Ventilating, air conditioning and other facilities and appliances, including elevators, maintained in good repair if supplied or required to be supplied by the landlord;

(j) Safety from fire hazards, including a working smoke alarm or smoke detector, with working batteries if solely battery-operated, provided only at the beginning of any new tenancy when the tenant first takes possession of the premises, as provided in ORS 479.270, but not to include the tenant's testing of the smoke alarm or smoke detector as provided in ORS 90.325 (1);

(k) A carbon monoxide alarm, and the dwelling unit:

(A) Contains a carbon monoxide source; or

(B) Is located within a structure that contains a carbon monoxide source and the dwelling unit is

connected to the room in which the carbon monoxide source is located by a door, ductwork or a ventilation shaft; *[or]*

(L) Working locks for all dwelling entrance doors, and, unless contrary to applicable law, latches for all windows, by which access may be had to that portion of the premises that the tenant is entitled under the rental agreement to occupy to the exclusion of others and keys for those locks that require keys*[,]*; **or**

(m) For a dwelling unit in a building where building permits for its construction were issued on or after April 1, 2024, adequate cooling facilities that:

(A) Provide cooling in at least one room of the dwelling unit, not including a bathroom;

(B) Conform to applicable law at the time of installation and are maintained in good working order; and

(C) May include central air conditioning, an air-source or ground-source heat pump or a portable air conditioning device that is provided by the landlord.

(2) The landlord and tenant may agree in writing that the tenant is to perform specified repairs, maintenance tasks and minor remodeling only if:

(a) The agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord;

(b) The agreement does not diminish the obligations of the landlord to other tenants in the premises; and

(c) The terms and conditions of the agreement are clearly and fairly disclosed and adequate consideration for the agreement is specifically stated.

(3) Any provisions of this section that reasonably apply only to a structure that is used as a home, residence or sleeping place *[shall]* **do** not apply to a manufactured dwelling, recreational vehicle or floating home where the tenant owns the manufactured dwelling, recreational vehicle or floating home, rents the space and, in the case of a dwelling or home, the space is not in a facility. Manufactured dwelling or floating home tenancies in which the tenant owns the dwelling or home and rents space in a facility *[shall be]* **are** governed by ORS 90.730*[,]* **and** not by this section.

SECTION 12. ORS 90.730 is amended to read:

90.730. (1) As used in this section, “facility common areas” means all areas under control of the landlord and held out for the general use of tenants.

(2) A landlord who rents a space for a manufactured dwelling or floating home shall at all times during the tenancy maintain the rented space, vacant spaces in the facility and the facility common areas in a habitable condition. The landlord does not have a duty to maintain a dwelling or home. A landlord’s habitability duty under this section includes only the matters described in subsections (3) to (6) of this section.

(3) For purposes of this section, a rented space is considered uninhabitable if it substantially lacks:

(a) A sewage disposal system and a connection to the space approved under applicable law at the time of installation and maintained in good working order to the extent that the sewage disposal system can be controlled by the landlord;

(b) If required by applicable law, a drainage system reasonably capable of disposing of storm water, ground water and subsurface water, approved under applicable law at the time of installation and maintained in good working order;

(c) A water supply and a connection to the space approved under applicable law at the time of installation and maintained so as to provide safe drinking water and to be in good working order to the extent that the water supply system can be controlled by the landlord;

(d) An electrical supply and a connection to the space approved under applicable law at the time of installation and maintained in good working order **and of sufficient amperage to meet reasonable year-round needs for electrical heating and cooling uses**, to the extent that the electrical supply system can be controlled by the landlord;

(e) A natural gas or propane gas supply and a connection to the space approved under applicable law at the time of installation and maintained in good working order to the extent that the gas supply system can be controlled by the landlord, if the utility service is provided within the facility pursuant to the rental agreement;

(f) At the time of commencement of the rental agreement, buildings, grounds and appurtenances that are kept in every part safe for normal and reasonably foreseeable uses, clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin;

(g) Excluding the normal settling of land, a surface or ground capable of supporting a manufactured dwelling approved under applicable law at the time of installation and maintained to support a dwelling in a safe manner so that it is suitable for occupancy. A landlord’s duty to maintain the surface or ground arises when the landlord knows or should know of a condition regarding the surface or ground that makes the dwelling unsafe to occupy; and

(h) Completion of any landlord-provided space improvements, including but not limited to installation of carports, garages, driveways and sidewalks, approved under applicable law at the time of installation.

(4) A rented space is considered uninhabitable if the landlord does not maintain a hazard tree as required by ORS 90.727.

(5) A vacant space in a facility is considered uninhabitable if the space substantially lacks safety from the hazards of fire or injury.

(6) A facility common area is considered uninhabitable if it substantially lacks:

(a) Buildings, grounds and appurtenances that are kept in every part safe for normal and reasonably foreseeable uses, clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin;

- (b) Safety from the hazards of fire;
- (c) Trees, shrubbery and grass maintained in a safe manner;
- (d) If supplied or required to be supplied by the landlord to a common area, a water supply system, sewage disposal system or system for disposing of storm water, ground water and subsurface water approved under applicable law at the time of installation and maintained in good working order to the extent that the system can be controlled by the landlord; and

(e) Except as otherwise provided by local ordinance or by written agreement between the landlord and the tenant, an adequate number of appropriate receptacles for garbage and rubbish in clean condition and good repair at the time of commencement of the rental agreement and for which the landlord shall provide and maintain appropriate serviceable receptacles thereafter and arrange for their removal.

(7) The landlord and tenant may agree in writing that the tenant is to perform specified repairs, maintenance tasks and minor remodeling only if:

(a) The agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord;

(b) The agreement does not diminish the obligations of the landlord to other tenants on the premises; and

(c) The terms and conditions of the agreement are clearly and fairly disclosed and adequate consideration for the agreement is specifically stated.

SECTION 13. The amendments to ORS 90.730 by section 12 of this 2022 Act apply only to spaces in which, on or after the effective date of this 2022 Act:

- (1) A new manufactured dwelling or floating home is connected to the electrical supply; or
- (2) The electrical supply or electrical supply connection is replaced.

HEAT PUMP DEPLOYMENT PROGRAM

SECTION 14. (1) As used in this section:

(a) “Bulk fuel” means liquid petroleum, propane, coal, wood, wood-based products or other fuel delivered and stored until used on-site by the final consumer to produce energy.

(b) “Climate zone” means a heating or cooling climate zone assigned to a county by the Bonneville Power Administration.

(c) “Electric resistance heat” means heat produced by passing an electric current through a material that has high resistance, such as used in an electric baseboard, wall or space heater.

(d) “Electric utility” has the meaning given that term in ORS 757.600.

(e) “Eligible entity” means a:

- (A) Local government as defined in ORS 174.116;
- (B) Local housing authority;

(C) Nonprofit organization;

(D) Federally recognized Indian tribe in Oregon;

(E) Coordinated care organization as defined in ORS 414.025;

(F) Community action agency as described in ORS 458.505;

(G) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803; or

(H) An electric utility.

(f) “Energy burden” means the percentage of gross household income spent on energy costs.

(g) “Environmental justice communities” has the meaning given that term in ORS 469A.400.

(h) “Heat pump” means an air-source or ground-source heat pump with an energy efficiency rating set by the State Department of Energy under subsection (5) of this section or a higher efficiency rating.

(i) “Region” means an economic development district in Oregon, designated by the Economic Development Administration of the United States Department of Commerce, for which a regional solutions center has been established under ORS 284.754.

(2) The Heat Pump Deployment Program is established within the State Department of Energy. The purpose of the program is to award grants to one eligible entity for each region and federally recognized Indian tribe in Oregon to provide financial assistance, including loans, grants, rebates or incentives, for the purchase and installation of heat pumps and related upgrades to individuals who reside within that region or who are members of that tribe.

(3)(a) To be eligible to receive a grant from the Heat Pump Deployment Program, an eligible entity must establish that it:

(A) Serves or represents:

- (i) An environmental justice community or communities within a region; or
- (ii) Members of a federally recognized Indian tribe in Oregon; and

(B) Has the capacity to administer grant funds received under this section.

(b) An eligible entity applying for a grant may partner with other eligible entities, but the entity that is awarded the grant shall take a lead role in administering grant funds and providing financial assistance.

(c) An eligible entity that serves or represents a community that is located within more than one region may apply for a grant only for the region within which the greatest percentage of the individuals of that community reside.

(d) An eligible entity that serves a specific geographical area may propose, in consultation with any electric utility that serves the area, that the department use alternative boundaries to define a region. The department may approve the use of alternative boundaries to define a region provided that a minimum percentage, as

determined by the department, of the eligible entity's specific geographical area is within the alternative boundaries of the region.

(e) If an electric utility is awarded a grant from the Heat Pump Deployment Program:

(A) The electric utility may provide financial assistance from grant funds only to individuals who reside within the electric utility's service area and within the region for which the electric utility is awarded a grant.

(B) The electric utility shall partner with one or more other eligible entities to provide financial assistance from grant funds to individuals who reside outside the electric utility's service area and within the region for which the electric utility is awarded a grant.

(4) An eligible entity that is awarded a grant from the Heat Pump Deployment Program shall:

(a) Use the grant funds to cover up to:

(A) One hundred percent of the purchase and installation costs of a heat pump.

(B) A percentage, as determined by the department, of the costs for related upgrades that support or enable the use of a heat pump, including:

(i) A new electrical panel or other upgrades to the electrical system of a home or building.

(ii) Weatherization or other structural repairs to reduce home or building heat and cooling loss.

(iii) Upgrades to improve the airflow of a home or building.

(b) Prioritize the provision of financial assistance to:

(A) Environmental justice communities.

(B) Individuals who rely on bulk fuels or electric resistance heating.

(C) Individuals who reside in a home or structure that does not have a functioning heating or cooling system.

(c) Enter into a performance agreement with the department as described in subsection (8) of this section.

(5) The department shall:

(a) Award grants using available funds in the Heat Pump Deployment Fund established under section 16 of this 2022 Act.

(b) In awarding grants, give preference to eligible entities with:

(A) Experience in administering state grant programs or programs similar to the Heat Pump Deployment Program.

(B) Experience with community program development within a region or with members of a tribe.

(C) Connections to communities within a region or with members of a tribe.

(c) Develop criteria for allocating the amount of each grant based on the energy burden of residences within the region or of members of the tribe and the climate zones that make up the counties of that region or of tribal lands.

(d) Permit a review of awarded grant funds by members of communities who may benefit from the Heat Pump Deployment Program.

(e) In consultation with electric utilities, the Bonneville Power Administration and the non-governmental entity that administers public purpose charge moneys collected under ORS 757.612 (3)(d), set the minimum energy efficiency rating that a heat pump must have to be eligible for grant funds. The minimum energy efficiency rating for a heat pump set by the department must be equal to or greater than federal energy efficiency rating standards for heat pumps.

(6) The department may not use moneys collected through the energy resource supplier assessment required under ORS 469.421 (8) to fund grants awarded under the Heat Pump Deployment Program.

(7) The department may:

(a) Establish a maximum amount of grant funds payable toward the purchase and installation of a heat pump and related upgrades.

(b) 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.

(c) Provide information to individuals receiving financial assistance from the Heat Pump Deployment Program about other loans, grants, rebates or incentives that may be offered by an electric utility or other programs.

(d) Develop criteria for how specific loans, grants, rebates or incentives offered by an electric utility or other programs may be used toward the costs of the purchase or installation of a heat pump and related upgrades.

(e) Establish incentives to encourage the purchase and installation of heat pumps and related upgrades that have higher efficiency ratings.

(f) Establish incentives for the purchase and installation of a heating or cooling device that has an efficiency rating similar to or higher than that of a heat pump and that provides additional benefits such as improving indoor air quality or lowering an individual's energy burden.

(g) Develop program procedures and practices that align with the reporting and other requirements of loans, grants, rebates or incentives offered by an electric utility or other programs.

(h) Require, by rule, that eligible entities notify electric utilities of a heat pump installation and whether grant funds may be used for necessary electric distribution system upgrades associated with the installation of the heat pump.

(8) Before receiving a grant under this section, an eligible entity shall enter into a performance agreement with the department that:

(a) Indicates the purposes for which the grant funds may be used;

(b) Prohibits the eligible entity from using more than 15 percent of awarded grant funds for administrative expenses and marketing costs;

(c) Includes the repayment provisions set forth in subsection (9) of this section;

(d) Permits the department to conduct audits and investigations of the eligible entity regarding the use of grant funds; and

(e) Requires the eligible entity to provide reports as required by subsection (10) of this section.

(9) An eligible entity must repay to the department, in whole or in part, grant funds received under this section to the extent that:

(a) The eligible entity does not use the grant funds in accordance with the provisions of the performance agreement executed between the department and the eligible entity under subsection (8) of this section; or

(b) The Director of the State Department of Energy determines that the eligible entity must repay all or part of the grant funds on grounds of misappropriation, fraud or similar reasons after auditing or investigating the eligible entity's operations and conducting a contested case hearing under ORS 183.413 to 183.470.

(10) Each eligible entity that receives a grant under this section shall report to the department by June 30 of each year concerning the status and use of grant funds. The report may not disclose the personal information of the recipients of financial assistance under the program. The report must include:

(a) A detailed description of the eligible entity's use of grant funds;

(b) A list of each loan, grant or other financial assistance that the eligible entity has provided and, where applicable, a full accounting of the repayment status of the loans;

(c) The nature and amounts of the administrative expenses and marketing costs the eligible entity has incurred in providing loans, grants and other financial assistance under the program; and

(d) Any other information required by the department.

(11) The department shall adopt rules to carry out the provisions of this section. The rules shall be developed in consultation with:

(a) The Bureau of Labor and Industries on issues related to the workforce.

(b) The Building Codes Division of the Department of Consumer and Business Services on issues related to building codes and commissioning.

(c) The Housing and Community Services Department to ensure the Heat Pump Deployment Program complements any existing programs or services.

(d) The Department of Environmental Quality on issues of air quality related to bulk fuels

and to ensure the Heat Pump Deployment Program complements any existing programs or services.

(e) The Oregon Health Authority on any health impacts and health impact data related to the Heat Pump Deployment Program and to ensure the program complements any existing programs or services.

(f) Electric utilities and utility program administrators on any impacts the Heat Pump Deployment Program may have on utility systems or services and to ensure the program complements any existing programs, incentives or services.

(g) Nonprofit organizations, housing providers, heat pump technicians and other stakeholders as appropriate.

SECTION 15. (1) The Heat Pump Deployment Advisory Council is established.

(2) The council consists of representatives from eligible entities administering grant funds under the Heat Pump Deployment Program established under section 14 of this 2022 Act.

(3) The council shall study and identify:

(a) Best practices for administering grant funds and providing financial assistance;

(b) Barriers to administering grant funds and providing financial assistance; and

(c) Opportunities for providing technical assistance.

(4) A majority of the members of the council constitutes a quorum for the transaction of business.

(5) Official action by the council requires the approval of a majority of the members of the council.

(6) The council shall elect one of its members to serve as chairperson.

(7) The council shall meet at times and places specified by the call of the chairperson or of a majority of the members of the council. The council may meet by telephone or video conference.

(8) The council may adopt rules necessary for the operation of the council.

(9) Members of the council are entitled to compensation and expenses as provided in ORS 292.495 from moneys in the Heat Pump Deployment Fund established under section 16 of this 2022 Act.

(10) The State Department of Energy shall provide staff support to the council.

SECTION 16. (1) The Heat Pump Deployment Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Heat Pump Deployment Fund shall be credited to the fund. The fund consists of:

(a) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

(b) Moneys received from federal, state or local sources;

(c) Gifts, grants or other moneys contributed to the fund; and

(d) Other amounts deposited in the fund from any source.

(2) Moneys in the fund are continuously appropriated to the State Department of Energy for the purpose of the Heat Pump Deployment Program established under section 14 of this 2022 Act.

(3) The department may use reasonable amounts from the fund, but no more than 15 percent of the fund, necessary to:

(a) Administer and market the Heat Pump Deployment Program; and

(b) Provide for the compensation and expenses of members of the Heat Pump Deployment Advisory Council established under section 15 of this 2022 Act.

(4) The Director of the State Department of Energy shall submit a biennial report to the Legislative Assembly in the manner provided by ORS 293.640 regarding the expenditures of moneys deposited in the Heat Pump Deployment Fund, including:

(a) A detailed description of the use of the moneys;

(b) A detailed description of the loans, grants or other financial assistance provided from the moneys and, where applicable, an accounting of the repayment status of the loans;

(c) The nature and amounts of the administrative expenses and marketing costs paid from the moneys; and

(d) Indicators of program success.

SECTION 17. The Director of the State Department of Energy shall submit the first biennial report required under section 16 of this 2022 Act to the Legislative Assembly no later than December 31, 2023.

SECTION 18. In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Energy, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$10,000,000 for deposit into the Heat Pump Deployment Fund established under section 16 of this 2022 Act.

SECTION 18a. Notwithstanding any other law limiting expenditures, the amount of \$5,548,537 is established for the biennium ending June 30, 2023, as the maximum limit for payment of expenses by the State Department of Energy from the Heat Pump Deployment Fund established under section 16 of this 2022 Act to be used for the Heat Pump Deployment Program under sections 14 to 17 of this 2022 Act.

RESIDENTIAL HEAT PUMP REBATES AND GRANTS

SECTION 19. (1) The State Department of Energy shall provide rebates for the purchase and installation of air-source or ground-source heat pumps to owners of a dwelling unit used as a residential tenancy and to owners of a manufactured dwelling or recreational vehicle who rent a space in a manufactured dwelling or recreational vehicle park.

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

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

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

(B) For the owner of a manufactured dwelling or recreation vehicle, a percentage of the purchase price of the heat pump as established by the department.

(c) To be eligible to claim a rebate on behalf of a customer under this section, a contractor that installs a heat pump must, at the time of the installation:

(A) Hold any license, bond, insurance or permit required to sell and install the heat pump;

(B) Demonstrate a history of compliance with the rules and other requirements of the Construction Contractors Board, the Bureau of Labor and Industries and the Workers' Compensation Division and the Occupational Safety and Health Division of the Department of Consumer and Business Services; and

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

(3) To claim a rebate under this section, a contractor must:

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

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

(A) The location of the heat pump;

(B) A description of the heat pump;

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

(D) A statement signed by both the contractor and the customer for whom the heat pump

is installed that the customer has received the full value of the rebate as a reduction in the net cost of the purchase and installation of the heat pump and that the rebate was clearly reflected on an invoice provided to the customer;

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

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

(4) Rebates made under this section must be made from moneys in the Residential Heat Pump Fund established under section 21 of this 2022 Act. A rebate may be made only if there are moneys available in the fund to make the rebate.

(5) Pursuant to the procedures for a contested case under ORS chapter 183, the department may:

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

(A) The contractor's eligibility was obtained by fraud or misrepresentation by the contractor;

(B) The contractor's performance for installation of heat pumps does not meet industry standards; or

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

(b) Revoke a rebate or a portion of a rebate made under this section if the department finds that:

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

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

(6)(a) The department may adopt rules to administer the rebate program.

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

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

(B) Nonprofit organizations and utilities; and

(C) Other incentive providers.

(c) Rules adopted under this section may include:

(A) Preferences for providing rebates that benefit low and moderate income residential tenants;

(B) Preferences for providing rebates to support heat pumps with superior energy efficiency;

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

(D) Policies and procedures for the administration and enforcement of this section and section 21 of this 2022 Act, which may include policies and procedures for audits and inspections.

SECTION 20. (1) The State Department of Energy shall provide grants for upgrades, including electrical and mechanical upgrades, to facilitate the installation of heat pumps for owners of a dwelling unit or a manufactured dwelling for whom a rebate has been reserved under section 19 (3)(a) of this 2022 Act.

(2) Grants made under this section must be made from moneys in the Residential Heat Pump Fund established under section 21 of this 2022 Act. A grant may be made only if there are moneys available in the fund to make the grant.

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

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

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

(B) Nonprofit organizations and utilities; and

(C) Other incentive providers.

(c) Rules adopted under this section must include:

(A) Preferences for providing grants that benefit low and moderate income residential tenants;

(B) Provisions for determining eligibility and verification of the upgrades; and

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

SECTION 21. (1) The Residential Heat Pump Fund is established in the State Treasury, separate and distinct from the General Fund. Moneys in the Residential Heat Pump Fund consist of:

(a) Amounts donated to the fund;

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

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

(2) Moneys in the fund are continuously appropriated to the State Department of Energy to be used to provide grants and rebates under sections 19 and 20 of this 2022 Act and to pay the costs and expenses of the department related to the administration and implementation of sections 19 and 20 of this 2022 Act.

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

(a) 25 percent must be reserved for affordable housing providers; and

(b) 25 percent must be reserved for loans for owners of units occupied by households whose income is less than 80 percent of the area median income.

SECTION 22. In addition to and not in lieu of any other appropriation, there is appropriated

to the State Department of Energy, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$15,000,000 for deposit into the Residential Heat Pump Fund established under section 21 of this 2022 Act.

SECTION 22a. Notwithstanding any other law limiting expenditures, the amount of \$6,562,051 is established for the biennium ending June 30, 2023, as the maximum limit for payment of expenses by the State Department of Energy from the Residential Heat Pump Fund established under section 21 of this 2022 Act to be used for the residential heat pump rebate and grant programs under sections 19 to 21 of this 2022 Act.

SECTION 23. (1) Sections 19 to 21 of this 2022 Act are repealed on January 2, 2025.

(2) On the date of the repeal of sections 19 to 21 of this 2022 Act under subsection (1) of this section, any moneys in the Residential Heat Pump Fund that are unexpended, unobligated and not subject to any conditions or reservations under section 19 (3)(a) of this 2022 Act are transferred to the General Fund.

COMMUNITY COOLING SPACES

SECTION 24. (1) The State Department of Energy shall provide a grant to the nongovernmental entity that administers public purpose charge moneys under ORS 757.612 (3)(d) to enable the nongovernmental entity to assist landlords in creating or operating, whenever there is an extreme heat event as defined in section 2 of this 2022 Act for the county of the premises, one or more private community cooling spaces available to the landlord's tenants during the extreme heat event that are on or near the premises and that maintain a temperature of not higher than 80 degrees Fahrenheit.

(2) Assistance provided under this section may include:

(a) Grants to landlords to create or operate community cooling spaces that will accommodate at least five individuals.

(b) Information to landlords regarding:

(A) Lists of providers and installers of suitable cooling devices;

(B) Private and government programs that may be used to create or operate community cooling spaces; and

(C) Best practices and model technical specifications for installing and operating various temporary and permanent community cooling spaces.

(c) Promoting the services relating to community cooling spaces under this section that are provided by the nongovernmental entity.

(3) The nongovernmental entity receiving a grant under this section shall maintain separate

accounting of the expenditures of the grant funds and shall report the accounting to the Public Utility Commission and the independent auditor described in ORS 757.746 (1)(d). The nongovernmental entity may not utilize moneys received under ORS 757.054 (4) or 757.612 (3)(d) for grant purposes under this section.

SECTION 25. In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Energy, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$2,000,000, to provide grants under section 24 of this 2022 Act.

COOLING NEEDS STUDY

SECTION 26. (1) The State Department of Energy shall study the cooling and electrical needs of publicly supported housing as defined in ORS 456.250, manufactured dwelling parks and recreational vehicle parks. The study should detail information including but not limited to the following:

(a) The prevalence of cooling facilities;

(b) The need for cooling facilities;

(c) Barriers to transitioning housing and parks to include cooling facilities; and

(d) When possible, specific scenarios for properties in development or preservation to add cooling facilities.

(2) The Building Codes Division of the Department of Consumer and Business Services shall provide assistance in conducting the study under this section.

SECTION 27. In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Energy, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$500,000, to perform the duties of the department under section 26 of this 2022 Act.

SECTION 28. Section 26 of this 2022 Act is repealed on January 2, 2025.

STATE DEPARTMENT OF ENERGY REPORTS

SECTION 29. No later than September 15, 2023, the State Department of Energy shall provide a report to an appropriate interim committee of the Legislative Assembly in the manner provided in ORS 192.245 on:

(1) The heat pump grants and rebates under sections 19 and 20 of this 2022 Act;

(2) The community cooling spaces under section 24 of this 2022 Act; and

(3) The results of the cooling needs study under section 26 of this 2022 Act.

WARMING AND COOLING SHELTERS

SECTION 30. ORS 431A.410 is amended to read:

431A.410. (1) As used in this section, “smoke filtration system” means an air filtration system capable of removing particulates and other harmful components of wildfire smoke in a public building.

(2) In consultation and coordination with the Oregon Health Authority, the Department of Human Services shall establish and implement a grant program that allows local governments to:

(a) Establish emergency [*clean air*] shelters for **clean air, warming or cooling.**

(b) Equip public buildings with:

(A) Smoke filtration systems so the public buildings may serve as cleaner air spaces during wildfire smoke and other poor air quality events.

(B) **Warming or cooling facilities so the public buildings may serve as temperate spaces during dangerously hot or cold conditions.**

(3) The department shall require grantees to provide access to the [*clean air*] shelters at no charge.

(4) **Warming or cooling shelters or facilities receiving grants under this section shall notify the 2-1-1 system provided for in ORS 403.400 to 403.430, regarding the shelter’s location and capacity and shall keep the corporation updated with the shelter’s hours and dates of operation.**

SECTION 30a. If Senate Bill 1533 becomes law, section 1, chapter 85, Oregon Laws 2022 (Enrolled Senate Bill 1533) (amending ORS 431A.410), is repealed and ORS 431A.410, as amended by section 30 of this 2022 Act, is amended to read:

431A.410. (1) As used in this section[,]:

(a) **“Public education provider” has the meaning given that term in ORS 326.545.**

(b) “Smoke filtration system” means an air filtration system capable of removing particulates and other harmful components of wildfire smoke in a public building.

(2) In consultation and coordination with the Oregon Health Authority, the Department of Human Services shall establish and implement a grant program that allows local governments, **public education providers and federally recognized Indian tribes in Oregon to:**

(a) Establish emergency [*shelters for clean*] **spaces that provide cleaner** air, warming or cooling.

(b) Equip public buildings with:

(A) Smoke filtration systems so the public buildings may serve as cleaner air spaces during wildfire smoke and other poor air quality events.

(B) Warming or cooling facilities so the public buildings may serve as temperate spaces during dangerously hot or cold conditions.

(3) The department shall require grantees to provide access to the [*shelters*] **spaces** at no charge.

(4) Warming or cooling [*shelters*] **spaces** or facilities receiving grants under this section shall notify the 2-1-1 system provided for in ORS 403.400 to 403.430, regarding the [*shelter’s*] **space’s** location and capacity and shall keep the corporation updated with the [*shelter’s*] **space’s** hours and dates of operation.

SECTION 31. ORS 431A.412 is amended to read:

431A.412. The Department of Human Services is the lead state agency for clean air, **warming and cooling** shelter operations. The department shall:

(1) Consult and collaborate with the Oregon Health Authority to align practices for voluntary evacuations and emergency sheltering operations.

(2) Coordinate with the authority in setting priorities for awarding grants described in ORS 431A.410.

(3) Provide support to local agencies that take lead roles in operating and planning [*clean air*] shelters in the local agencies’ jurisdictions.

SECTION 31a. If Senate Bill 1533 becomes law, section 1a, chapter 85, Oregon Laws 2022 (Enrolled Senate Bill 1533) (amending ORS 431A.412), is repealed and ORS 431A.412, as amended by section 31 of this 2022 Act, is amended to read:

431A.412. (1) As used in this section, “**public education provider**” has the meaning given that term in ORS 326.545.

(2) The Department of Human Services is the lead state agency for [*clean air, warming and cooling shelter operations*] **operating spaces that provide cleaner air, warming or cooling.** The department shall:

[(1)] (a) Consult and collaborate with the Oregon Health Authority to align practices for voluntary evacuations and emergency sheltering operations.

[(2)] (b) Coordinate with the authority in setting priorities for awarding grants described in ORS 431A.410.

[(3)] (c) Provide support to **the local agencies, public education providers and federally recognized Indian tribes in Oregon** that take lead roles in operating and planning [*shelters in the local agencies’ jurisdictions*] **spaces that provide cleaner air, warming or cooling.**

SECTION 32. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Human Services, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$2,000,000, to provide grants for emergency shelters or facilities that include warming or cooling under ORS 431A.410 (2)(a) or (b)(B).

SECTION 32a. If Senate Bill 1533 becomes law, section 32 of this 2022 Act is amended to read:

Sec. 32. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Human Services, for the biennium end-

ing June 30, 2023, out of the General Fund, the amount of \$2,000,000, to provide grants for emergency [*shelters*] **spaces** or facilities that include warming or cooling under ORS 431A.410 (2)(a) or (b)(B).

HEALTHY HOMES PROGRAM

SECTION 33. ORS 431A.400 is amended to read: 431A.400. (1) As used in this section:

(a) “Eligible entity” means a:

(A) Local government as defined in ORS 174.116;

(B) Local housing authority;

(C) Nonprofit organization;

(D) Federally recognized Indian tribe in Oregon;

(E) **Indian health center;**

[*E*] (F) Coordinated care organization as defined in ORS 414.025;

[*F*] (G) Community action agency as described in ORS 458.505; [*or*]

[*G*] *Program administered by:*

(H) **Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803;**

[*i*] (I) An electric [*company*] **utility** as defined in ORS 757.600; or

[*ii*] (J) A natural gas utility as defined in ORS 757.392.

(b) “Environmental justice factor” means a circumstance or condition that impacts a community’s ability to achieve a balance of health, economic or environmental benefits and burdens or that impacts a community’s ability to participate in public processes.

(c) “Grant program recipient” means an eligible entity that has been awarded a grant from the Oregon Health Authority under this section.

(d) “Landlord” means a landlord, as defined in ORS 90.100, that meets eligibility criteria for a loan, grant or other financial assistance under the Healthy Homes Program as determined by the authority.

(e) “Low income household” means a household having an income equal to or below 80 percent of the area median family income as determined by the authority.

(f) “Nonprofit organization” means an organization or group of organizations that is described in section 501(c)(3) of the Internal Revenue Code and is exempt from income tax under section 501(a) of the Internal Revenue Code.

(g) “Repair and rehabilitation” includes actions that:

(A) Maximize energy efficiency of residences;

(B) Extend the usable life of residences; or

(C) Improve the health and safety of the occupants of residences, including:

(i) Radon abatement;

(ii) Lead abatement;

(iii) Mold and mildew abatement;

(iv) Installation of a smoke filtration system, an air purification system or ventilation or reduction of pathways for air infiltration;

(v) Removal of asthma or allergen triggers;

(vi) Structural or safety improvements that increase accessibility or visitability;

(vii) Improvements that make homes more fire resistant; [*and*]

(viii) Structural or safety improvements that promote seismic resiliency[.];

(ix) **Improvements that reduce the reflection of heat on or around the home, including improvements related to trees, vegetation, green roofs or cool roofs; and**

(x) **Electrical upgrades that improve the safety of the home or support or enable the use of energy efficiency upgrades such as heating or cooling devices.**

(h) “Residence” means a dwelling that is intended for occupation by a single family and is occupied by one or more individuals who are members of a low income household as the individuals’ principal residence, including a site-built home, manufactured home, residential trailer, mobile home, condominium unit or unit within multifamily housing.

(i) “Smoke filtration system” means a residential air filtration system that meets minimum efficiency standards, as determined by the authority, for the removal of particulates and other harmful substances generated by wildfires.

(2) The Healthy Homes Program is established within the Oregon Health Authority. The purpose of the program is to provide grants to eligible entities that provide financial assistance to persons in low income households to repair and rehabilitate their residences and to landlords to repair and rehabilitate dwelling units inhabited by low income households.

(3) To be eligible to receive grants from the Healthy Homes Program, an eligible entity must establish that it:

(a) Serves or represents:

(A) Communities with high concentrations of low income households; or

(B) Communities impacted by environmental justice factors, including but not limited to:

(i) Areas with above-average concentrations of historically disadvantaged households or residents with low levels of educational attainment, areas with high unemployment, high linguistic isolation, low levels of homeownership or high rent burden or sensitive populations;

(ii) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure or environmental degradation; or

(iii) Other environmental justice factors as determined by the authority.

(b) Has the capacity to administer grant funds received under this section.

(c) Is able to comply with the requirements of all state and federal laws, rules and regulations.

(4)(a) The authority shall adopt by rule processes for eligible entities to apply to receive grants from the Healthy Homes Program. The processes may include a request for proposals.

- (b) The authority may adopt by rule:
- (A) Standards for repair and rehabilitation activities conducted by low-income households;
- (B) Standards for repair and rehabilitation activities conducted by landlords;
- (C) Additional requirements for landlords who receive program funds; and
- (D) Provisions for the allocation of program funds including but not limited to allocations for types of eligible entities, types of recipients, types of housing and regions of this state.
- (c) The authority, in consultation with the Governor's Policy Advisor for Economic and Business Equity, may establish by rule standards for the work performed using grants from the program to be performed by disadvantaged business enterprises, minority-owned businesses, woman-owned businesses or businesses that service-disabled veterans own, as those terms are defined in ORS 200.005.
- (5) Upon being awarded a grant under this section, the grant program recipient shall enter into an agreement with the authority that contains provisions that:
- (a) Indicate the purposes for which the grant funds may be used;
- (b) Prohibit the grant program recipient from using more than 15 percent of grant funds for administrative expenses and program delivery costs;
- (c) Include the repayment provisions set forth in subsection (6) of this section;
- (d) Permit the authority to conduct audits and investigations of the grant program recipient regarding the purposes for which grant funds have been used; and
- (e) Require the grant program recipient to provide reports as set forth in subsection (7) of this section.
- (6) A grant program recipient must repay to the authority, in whole or in part, grant funds received under this section to the extent that:
- (a) The grant program recipient does not use the grant funds in accordance with the provisions of the grant agreement executed between the authority and the grant program recipient under subsection (5) of this section; or
- (b) The Director of the Oregon Health Authority determines that the grant program recipient must repay all or part of the grant funds on grounds of misappropriation, fraud or similar reasons after auditing or investigating the grant program recipient's operations and conducting a contested case hearing under ORS 183.413 to 183.470.
- (7) A grant program recipient shall report to the authority by June 30 of each year concerning the status and use of grant funds received under this section. The report required under this section may not disclose the personal information of the recipients of loans, grants or other financial assistance under the Healthy Homes Program. The report must include:
- (a) A detailed description of the grant program recipient's use of grant funds;

- (b) A list of each loan, grant or other financial assistance that the grant program recipient has provided and, where applicable, a full accounting of the repayment status of the loans;
- (c) The number of low income households that the grant program recipient has provided financial assistance to for the repair and rehabilitation of their residences;
- (d) The number of landlords that the grant program recipient has provided financial assistance to for the repair and rehabilitation of dwelling units;
- (e) The nature and amounts of the administrative expenses and program delivery costs the grant program recipient has incurred in providing the financial assistance under the program;
- (f) Disaggregated data concerning the income, racial or ethnic background, family size and related demographic information of low income households who received financial assistance for repair and rehabilitation of residences under the program from the grant program recipient; and
- (g) Any other information required by the authority.
- (8) The authority may not pay amounts for grants under this section from any source other than available funds in the Healthy Homes Repair Fund established in ORS 431A.402.
- (9) Under the Healthy Homes Program, the authority may develop, or contract with public institutions of higher education or nonprofit organizations to assist in developing:
- (a) Methods for evaluating health hazards in housing;
- (b) Methods for preventing and reducing health hazards in housing;
- (c) Performance measures for the work being performed through the financial assistance provided under the program; and
- (d) Recommendations for promoting the incorporation of healthy housing into ongoing practices and systems, including housing codes.

UNIT CAPTIONS

SECTION 34. The unit captions used in this 2022 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2022 Act.

EMERGENCY CLAUSE

SECTION 35. This 2022 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect on its passage.

Approved by the Governor March 23, 2022
 Filed in the office of Secretary of State March 30, 2022
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