

**Date:** November 23, 2009  
**To:** Environmental Quality Commission  
**From:** Dick Pedersen, Director  
**Subject:** Agenda item B, action item: Pollution control facility certificate administration  
December 10-11, 2009 EQC meeting

**Why this is important** EQC issues tax credit certificates to qualifying pollution control facilities. If a certificate holder sells a certified facility, EQC is the authority that transfers the certificate to the new owner.

**Background** EQC certification entitles an Oregon taxpayer to subtract up to 35 percent of the certified facility cost from its Oregon tax liability. The taxpayer may take the tax credit in equal parts over the remaining useful life of the facility from the date of original certification but for no more than ten years. If the taxpayer sells a certified facility within the ten-year period, the new owner is entitled to any unused tax credit available to the facility.

On Sept. 29, 2009, Carlton Holdings, Inc. notified DEQ of the sale of the certified facility shown in attachment A to Blount, Inc. The Department of Revenue requires this notification under ORS 315.304. DEQ found that Blount, Inc. continues to operate the facility according to the EQC's original conditions of certification.

Under ORS 468.170 and ORS 468.185, EQC may issue, revoke and reinstate certificates. When the commission transfers a certificate, the action includes revoking the original certificate and reissuing the certificate in the name of the new owner.

**DEQ recommendation and EQC motion** DEQ recommends that the EQC transfer certificate number 11561 shown in attachment A:

**From:**  
Carlton Company  
3901 SE Naef Road  
Milwaukie, OR 97267  
93-1263217

**To:**  
Blount, Inc.  
4909 SE International Way  
Portland, OR 97222  
63-0593908

**EQC action alternatives**            The commission may postpone the transfer to a future meeting if it requires additional information from DEQ or the certificate holder.

**Attachments**                A. Pollution Control Facility Certificate No. 11561

**Available upon request**    ORS 468.150 to 468.190 and OAR 340-016-0005 to 340-016-0080

Approved:

Section: \_\_\_\_\_

Division: \_\_\_\_\_

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