



“The Power of Community”

June 5, 2019

The Honorable Ron Wyden
United States Senate
221 Dirksen Senate Office Bldg.
Washington, D.C., 20510

Dear Senator Wyden:

We are writing today to ask for your support for legislation (S. 1032) to protect the tax-exempt status of electric cooperatives, and more importantly, protect our ability to deliver services to over a half-million rural Oregonians.

As community-focused member organizations, no more than 15 percent of our gross income may come from non-member sources. Recent changes to the Internal Revenue Code created an unintended consequence for electric cooperatives, as government grants may now be considered non-member income. Electric cooperatives receive grants for a variety of purposes – none more important than those from FEMA assistance programs. Oregon electric cooperatives faced some of the most devastating storms in our history this winter, taking down entire electrical systems. Thanks to your help, President Trump has approved Governor Brown’s disaster declaration that will make FEMA funds available to rebuild vital infrastructure. But for some Oregon electric cooperatives, accepting FEMA reimbursements could come at the price of losing our tax-exempt status.

Moreover, we may be faced with difficult choices on pursuing grants for other important programs you have long championed as a U.S. Senator, such as broadband access for rural Oregonians, economic development, and deploying renewable energy. Fortunately, you are well-positioned to help solve a problem that, while not of your making, threatens to harm our members that can least afford additional costs.

We respectfully request that you support the Revitalizing Underdeveloped Rural Areas and Lands Act - S. 1032. The RURAL Act would change the tax code to exempt federal, state, and local grants from being defined as income for electric cooperatives. With enactment of this important legislation, we would no longer have to choose between priority programs and our tax status, allowing us to continue to work with you on building a stronger, more vibrant Oregon.

Thank you for your consideration.

The Honorable Ron Wyden
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