

**PRELIMINARY** STAFF MEASURE SUMMARY

CARRIER:

House Committee on Transportation & Economic Development

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** Minimal fiscal impact, no statement issued

**SUBSEQUENT REFERRAL TO:** Ways and Means

**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

**Prepared By:** Troy Rayburn, Administrator

**Meeting Dates:** 4/10

**WHAT THE MEASURE DOES:** Relating to taxation on fuels. Allows person that uses natural gas or propane in motor vehicle to pay annual use fuel license fee in lieu of per-gallon tax. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:** To be filled in after public hearing on Wednesday, April 10.

**EFFECT OF COMMITTEE AMENDMENT:** -1 amendments delivered April 9 at 11:00 AM.

**BACKGROUND:** House Bill 3227 will allow an owner of a vehicle propelled by alternative fuel to annually purchase a decal in lieu of paying the motor fuel tax at the pump. The decal fees are based in part on the vehicle’s weight. For instance, a light duty vehicle that weighs under 10,000 pounds would pay a decal fee of \$120.00. Oregon’s neighboring states -- California, Washington, and Idaho -- have had a fuel decal program in place since the mid-1970s. The result has been a positive effect in incentivizing companies to convert their vehicles to run on alternative fuel.