

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: Revenue lite statement issued

Fiscal: Fiscal statement issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Krista McDowell, Legislative Fiscal Office

Meeting Date: 5/13/2013

WHAT THE MEASURE DOES: Establishes Alternative Fuel Vehicle Revolving Fund. Continuously appropriates moneys in Fund to Oregon Department of Energy. Permits public bodies to borrow from Fund to purchase alternative fuel vehicles. Permits contributions and donations to Fund and provides opportunity for tax credit for contributions to Fund made by taxpayers. Provides for auction of tax credits established by measure.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Senate Bill 583-A is intended to assist public bodies, including federally-recognized Native American tribes, with the purchase of alternative fuel vehicles or the conversion of existing vehicles owned by public bodies to alternative fuel operation. The types of alternative fuels that would be eligible for the program include electric, liquefied natural gas, compressed natural gas, ethanol, methanol and propane, or any other fuel approved by administrative rule by the Oregon Department of Energy. The measure establishes the Alternative Fuel Vehicle Revolving Fund, to be administered by the Oregon Department of Energy, which is designed to make loans to assist with the conversion of existing fleet vehicles to alternative fuel systems and to purchase new alternative fuel vehicles; priority is to be given to conversion of existing vehicles.

Senate Bill 583-A also establishes that persons and corporations may qualify for a tax credit for making certified alternative fuel vehicle donations to the Fund. The Department of Revenue may conduct an auction of up to \$3 million in tax credits .

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 583 - A**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office**Only Impacts on Original or Engrossed
Versions are Considered Official**Prepared by: Krista McDowell
Reviewed by: Michelle Deister
Date: 4/30/2013**Measure Description:**

Establishes Alternative Fuel Vehicle Revolving Fund.

Government Unit(s) Affected:

Department of Energy

Summary of Expenditure Impact:

Summary of Expenditure Impact		
	2013-15 Biennium	2015-17 Biennium
General Fund		
Lottery Funds		
Other Funds	3,123,368	54,679
Federal Funds		
Total Funds	\$3,123,368	\$54,679
Positions	1	1
FTE	0.55	0.25

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

This bill establishes the Alternative Fuel Vehicle Revolving Fund (AVF), separate and distinct from the General Fund, and directs the State Department of Energy to use the funds for a loan program to help public bodies and tribes to purchase new alternative fuel vehicles or to convert existing vehicles to alternative fuel vehicles. The bill authorizes the Oregon Department of Revenue a one-time auction of no more than \$3.0 million in tax credits to establish the initial funding source for the AVF. Following the initial tax credit auction the AVF is expected to operate on a self-sustaining basis; funding administration and overhead costs as well as the loan program.

Initial startup costs for the program are estimated at \$40,597 Other Funds (OF) in the 2013-15 biennium and \$17,265 OF in the 2015-17 biennium. These costs include rule making, auction fees, loan application forms, marketing tools and the creation of a website. Completing program set-up, marketing, and loan distribution activities will require a limited duration part-time (0.55 FTE) Program Analyst 3 at an estimated cost of \$82,771 (OF) in 2013-15 biennium. Ongoing program administration will be coordinated with a part-time (0.25 FTE) of a Loan Specialist 1 at an estimated cost of \$37,414 OF in the 2015-17 biennium.

See Legislative Revenue Impact Statement for analysis on revenue projections.

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Seventh Oregon Legislative Assembly
2013 Regular Session
Legislative Revenue Office**

Bill Number: SB 583-A
Revenue / Transportation funding
Economist: Mazen Malik
Date: 04/10/2013

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Establishes Alternative Fuel Vehicle Revolving Fund.

Revenue Impact (in \$Millions):

The impacts of the measure will be determined by the different sources seeding the new fund. This statement is issued to facilitate the referral to the joint committee on ways and means. Recommend referral to Tax Credits committee.

Impact Explanation:

This measure is intended to assist public bodies, including federally-recognized Native American tribes, with the purchase of alternative fuel vehicles or the conversion of existing vehicles owned by public bodies to alternative fuel operation. The measure creates the "alternative fuel vehicle" fund, and allows contributions and donations to the new fund. Provides opportunity for tax credit contributions to Fund made by taxpayers. The amendment provides for auction of tax credits established by measure. The vehicles will run on alternative fuels such as electric, liquefied natural gas (LNG), compressed natural gas (CNG), ethanol, methanol and propane. Vehicles and other fuel maybe approved by administrative rules of the Department of Energy.

This measure introduces tax credit and an auctioning process that needs to be examined by the joint committee on tax credits. It is recommended that this measure be referred to the joint committee on tax credits.

Further Analysis Required

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to encourage the transition of the public fleet to alternative fuel.