

# D R A F T

## SUMMARY

For purposes of tax credits for energy conservation projects, increases amount of eligible cost for which credit may be claimed using informational filing system in place of certification and for which entire credit may be claimed in first allowable tax year.

Allows entire tax credit for transportation project to be claimed in first allowable tax year.

Directs State Treasurer to establish terms for transfer of tax credits. Allows State Treasurer to consider discount rates of other transferable tax credits in establishing terms for transfers.

Applies to tax years beginning on or after January 1, 2014.

Includes replacement of alternative fuel vehicle fleet in definition of transportation project for which tax credit may be claimed. Applies to tax years beginning on or after January 1, 2015.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to energy incentive programs; creating new provisions; amending  
3 ORS 285C.549, 315.331, 315.336, 469B.106, 469B.109, 469B.148, 469B.154,  
4 469B.276, 469B.285, 469B.320 and 469B.323; and prescribing an effective  
5 date.

### 6 **Be It Enacted by the People of the State of Oregon:**

7 **SECTION 1.** ORS 315.331 is amended to read:

8 315.331. (1) A credit is allowed against the taxes otherwise due under ORS  
9 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or  
10 318, for an energy conservation project that is certified under ORS 469B.270  
11 to 469B.306. The credit is allowed as follows:

12 (a) Except as provided in paragraph (b) of this subsection, the credit al-  
13 lowed in each of the first two tax years in which the credit is claimed shall

1 be 10 percent of the certified cost of the facility, but may not exceed the tax  
2 liability of the taxpayer. The credit allowed in each of the succeeding three  
3 years shall be five percent of the certified cost, but may not exceed the tax  
4 liability of the taxpayer.

5 (b) If the certified cost of the facility does not exceed [~~\$20,000~~] **\$50,000**,  
6 the total amount of the credit allowable under subsection (3) of this section  
7 may be claimed in the first tax year for which the credit may be claimed,  
8 but may not exceed the tax liability of the taxpayer.

9 (2) In order for a tax credit to be allowable under this section:

10 (a) The project must be located in Oregon.

11 (b) The project must have received final certification from the Director  
12 of the State Department of Energy under ORS 469B.270 to 469B.306.

13 (c) If the project is a research and development project, it must receive,  
14 prior to certification under ORS 469B.288, a recommendation from a qualified  
15 third party selected by the director.

16 (d) If the project is new construction or a total building retrofit, then the  
17 project must achieve, at a minimum, the energy efficiency standards required  
18 for:

19 (A) LEED Platinum certification;

20 (B) A four globes rating from the Green Globes program;

21 (C) A nationally or regionally recognized and appropriate sustainable  
22 building program whose performance standards are equivalent to the stan-  
23 dards required for LEED Platinum certification or a four globes rating from  
24 the Green Globes program, as determined by the department; or

25 (D) Verification that the construction conformed to the standards of the  
26 Reach Code adopted pursuant to ORS 455.500.

27 (3) The total amount of credit allowable to an eligible taxpayer under this  
28 section may not exceed 35 percent of the certified cost of the project.

29 (4)(a) Upon any sale, termination of the lease or contract, exchange or  
30 other disposition of the project, notice thereof shall be given to the director,  
31 who shall revoke the certificate covering the project as of the date of such

1 disposition.

2 (b) A new owner, or, upon re-leasing of the project, a new lessee, may  
3 apply for a new certificate under ORS 469B.291. The new lessee or owner  
4 must meet the requirements of ORS 469B.270 to 469B.306 and may claim a  
5 tax credit under this section only if all moneys owed by the new owner or  
6 lessee to the State of Oregon have been paid, if the project continues to op-  
7 erate and if all conditions in the final certification are met. The tax credit  
8 available to the new owner shall be limited to the amount of credit not  
9 claimed by the former owner or, for a new lessee, the amount of credit not  
10 claimed by the lessee under all previous leases. The State Department of  
11 Energy may waive the requirement that a new owner or lessee apply for a  
12 new certificate under ORS 469B.291 if the remaining credit is less than  
13 \$20,000.

14 (c) The department may not revoke the certificate covering a project un-  
15 der paragraph (a) of this subsection if the tax credit associated with the  
16 project has been transferred to a taxpayer who is an eligible applicant under  
17 ORS 469B.285.

18 (5) The tax credit allowed under this section for any one tax year may  
19 not exceed the tax liability of the taxpayer.

20 (6) Any tax credit otherwise allowable under this section that is not used  
21 by the taxpayer in a particular year may be carried forward and offset  
22 against the taxpayer's tax liability for the next succeeding tax year. Any  
23 credit remaining unused in that next succeeding tax year may be carried  
24 forward and used in the second succeeding tax year, and likewise, any credit  
25 not used in that second succeeding tax year may be carried forward and used  
26 in the third succeeding tax year, and likewise, any credit not used in that  
27 third succeeding tax year may be carried forward and used in the fourth  
28 succeeding tax year, and likewise, any credit not used in that fourth suc-  
29 ceeding tax year may be carried forward and used in the fifth succeeding tax  
30 year, but may not be carried forward for any tax year thereafter. Credits  
31 may be carried forward to and used in a tax year beyond the years specified

1 in subsection (1) of this section only as provided in this subsection.

2 (7) The credit allowed under this section is not in lieu of any depreciation  
3 or amortization deduction for the project to which the taxpayer otherwise  
4 may be entitled for purposes of ORS chapter 316, 317 or 318 for such year.

5 (8) The taxpayer's adjusted basis for determining gain or loss may not be  
6 decreased by any tax credits allowed under this section.

7 (9) The definitions in ORS 469B.270 apply to this section.

8 **SECTION 2.** ORS 469B.285, as amended by section 21, chapter 45, Oregon  
9 Laws 2012, is amended to read:

10 469B.285. (1) Prior to the installation or construction of an energy con-  
11 servation project, any person may apply to the State Department of Energy  
12 for preliminary certification under ORS 469B.288 if:

13 (a) The project complies with the standards adopted by the Director of the  
14 State Department of Energy; and

15 (b) The applicant will be the owner, contract purchaser or lessee of the  
16 project at the time of installation or construction of the project.

17 (2) An application for preliminary certification shall be made in writing  
18 on a form prepared by the department and shall contain:

19 (a) A statement that the applicant plans to acquire, construct or install  
20 a project that substantially reduces the consumption of purchased energy or  
21 uses energy more efficiently.

22 (b) A detailed description of the project and its operation and information  
23 showing that the project will operate as represented in the application and  
24 remain in operation for at least five years, unless the director by rule spec-  
25 ifies another period of operation.

26 (c) Information on the amount by which consumption of purchased energy  
27 by the applicant will be reduced, and, if applicable, information about the  
28 expected level of sustainable building practices project performance.

29 (d) The anticipated total project cost.

30 (e) Information on the number and type of jobs, directly connected to the  
31 allowance of the credit, that will be:

1 (A) Created by the project; and

2 (B) Sustained throughout the construction, installation and operation of  
3 the project.

4 (f) Information demonstrating that the project will comply with applicable  
5 state and local laws and regulations and obtain required licenses and per-  
6 mits.

7 (g) Information relating to the standards described in ORS 469B.279.

8 (h) A recommendation for a research and development project as  
9 demonstrative of innovation that has been made by a qualified third party  
10 selected by the director.

11 (i) Any other information the director considers necessary to determine  
12 whether the project is in accordance with the provisions of ORS 469B.270 to  
13 469B.306, and any applicable rules or standards adopted by the director.

14 (3) An application for preliminary certification shall be accompanied by  
15 a fee established under ORS 469B.294. The director may refund all or a por-  
16 tion of the fee if the application for certification is rejected.

17 (4) The director may allow an applicant to file the application for pre-  
18 liminary certification after the start of installation or construction of the  
19 project if the director finds that:

20 (a) Filing the application before the start of installation or construction  
21 is inappropriate because special circumstances render filing earlier unrea-  
22 sonable; and

23 (b) The project would otherwise qualify for certification under ORS  
24 469B.270 to 469B.306.

25 (5) The director may, by rule, waive preliminary certification under ORS  
26 469B.288, or may establish an informational filing system in place of pre-  
27 liminary certification, for projects that:

28 (a) Have eligible costs of less than [~~\$20,000~~] **\$50,000**;

29 (b) Consist of measures that the director determines to be eligible for  
30 waiver of preliminary certification; and

31 (c) Comply with any other requirements established by the director.

1 (6) A preliminary certification shall remain valid for a period of three  
2 calendar years after the date on which the preliminary certification is issued  
3 by the director, after which the certification becomes invalid even if:

4 (a) The applicant is awaiting identification of a pass-through partner; or

5 (b) The preliminary certification has been amended.

6 **SECTION 3.** ORS 315.336, as amended by section 6, chapter 45, Oregon  
7 Laws 2012, is amended to read:

8 315.336. (1) A credit is allowed against the taxes otherwise due under ORS  
9 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or  
10 318, for a transportation project, based upon the certified cost of the project  
11 during the period for which the project is certified under ORS 469B.320 to  
12 469B.347.

13 (2) The credit allowed for a project other than an alternative fuel vehicle  
14 infrastructure project shall be as follows:

15 (a) For tax years beginning on or after January 1, 2011, and before Jan-  
16 uary 1, 2012, the maximum allowed credit shall be:

17 (A) 35 percent of certified cost, if a preliminary certification is issued  
18 under ORS 469B.329 prior to July 1, 2011; or

19 (B) 25 percent of certified cost, if a preliminary certification is issued  
20 under ORS 469B.329 on or after July 1, 2011, and before January 1, 2012.

21 (b) For tax years beginning on or after January 1, 2012, and before Jan-  
22 uary 1, 2013, the maximum allowed credit shall be 25 percent of certified  
23 cost.

24 (c) For tax years beginning on or after January 1, 2013, and before Jan-  
25 uary 1, 2014, the maximum allowed credit shall be 20 percent of certified  
26 cost.

27 (d) For tax years beginning on or after January 1, 2014, and before Jan-  
28 uary 1, 2015, the maximum allowed credit shall be 15 percent of certified  
29 cost.

30 (e) For tax years beginning on or after January 1, 2015, and before Jan-  
31 uary 1, 2016, the maximum allowed credit shall be 10 percent of certified

1 cost.

2 (3) The total amount of the credit allowable for an alternative fuel vehicle  
3 infrastructure project under this section may not exceed 35 percent of the  
4 certified cost of the project.

5 (4)[(a) *Except as provided in paragraph (b) of this subsection, the credit*  
6 *allowed in each of the first two tax years in which the credit is claimed shall*  
7 *be 10 percent of the certified cost of the project, but may not exceed the tax*  
8 *liability of the taxpayer. The credit allowed in each of the succeeding three*  
9 *years shall be five percent of the certified cost, but may not exceed the tax li-*  
10 *ability of the taxpayer.]*

11 [(b) *If the amount of the credit allowed under this section is less than 35*  
12 *percent of the certified cost of the project, the credit allowed in any tax year*  
13 *may not exceed five percent of the certified cost of the project, and]* **The total**  
14 **amount of the credit allowable under this section may be claimed in**  
15 **the first tax year for which the credit may be claimed, but** may not  
16 exceed the tax liability of the taxpayer.

17 (5) In order for a tax credit to be allowable under this section:

18 (a) The project must be located in Oregon.

19 (b) The project must have received final certification from the Director  
20 of the State Department of Energy under ORS 469B.320 to 469B.347.

21 (6) Any tax credit otherwise allowable under this section that is not used  
22 by the taxpayer in a particular year may be carried forward and offset  
23 against the taxpayer's tax liability for the next succeeding tax year. Any  
24 credit remaining unused in that next succeeding tax year may be carried  
25 forward and used in the second succeeding tax year, and likewise, any credit  
26 not used in that second succeeding tax year may be carried forward and used  
27 in the third succeeding tax year, and likewise, any credit not used in that  
28 third succeeding tax year may be carried forward and used in the fourth  
29 succeeding tax year, and likewise, any credit not used in that fourth suc-  
30 ceeding tax year may be carried forward and used in the fifth succeeding tax  
31 year, but may not be carried forward for any tax year thereafter. Credits

1 may be carried forward to and used in a tax year beyond the years specified  
2 in subsection (2) of this section only as provided in this subsection.

3 (7) The credit allowed under this section is not in lieu of any depreciation  
4 or amortization deduction for the transportation project to which the tax-  
5 payer otherwise may be entitled for purposes of ORS chapter 316, 317 or 318  
6 for such year.

7 (8) The taxpayer's adjusted basis for determining gain or loss may not be  
8 decreased by any tax credits allowed under this section.

9 (9) The definitions in ORS 469B.320 apply to this section.

10 **SECTION 4.** ORS 469B.106, as amended by section 13, chapter 45, Oregon  
11 Laws 2012, is amended to read:

12 469B.106. (1) Subject to the limitations in section 75, chapter 730, Oregon  
13 Laws 2011, any person may claim a tax credit under ORS 316.116 (or ORS  
14 317.115, if the person is a corporation) if the person:

15 (a) Meets the requirements of ORS 316.116 (or ORS 317.115, if applicable);

16 (b) Meets the requirements of ORS 469B.100 to 469B.118; and

17 (c) Pays, subject to subsection (10) of this section, all or a portion of the  
18 costs of an alternative energy device.

19 (2) A credit under ORS 317.115 may be claimed only if the alternative  
20 energy device is a fueling station necessary to operate an alternative fuel  
21 vehicle.

22 (3)(a) In order to be eligible for a tax credit under ORS 316.116 or 317.115,  
23 a person claiming a tax credit for construction or installation of an alter-  
24 native energy device (including a fueling station) shall have the device cer-  
25 tified by the State Department of Energy or constructed or installed by a  
26 contractor certified by the department under subsection (5) of this section.  
27 This paragraph does not apply to an alternative fuel vehicle or to related  
28 equipment.

29 (b) Certification of an alternative fuel vehicle or related equipment shall  
30 be accomplished under rules that shall be adopted by the Director of the  
31 State Department of Energy.

1 (4) Verification of the purchase, construction or installation of an alter-  
2 native energy device shall be made in writing on a form provided by the  
3 Department of Revenue and, if applicable, shall contain:

4 (a) The location of the alternative energy device;

5 (b) A description of the type of device;

6 (c) If the device was constructed or installed by a contractor, evidence  
7 that the contractor has any license, bond, insurance and permit required to  
8 sell and construct or install the alternative energy device;

9 (d) If the device was constructed or installed by a contractor, a statement  
10 signed by the contractor that the applicant has received:

11 (A) A statement of the reasonably expected energy savings of the device;

12 (B) A copy of consumer information published by the State Department  
13 of Energy;

14 (C) An operating manual for the alternative energy device; and

15 (D) A copy of the contractor's certification certificate or alternative en-  
16 ergy device system certificate for the alternative energy device, as appropri-  
17 ate;

18 (e) If the device was not constructed or installed by a contractor, evidence  
19 that:

20 (A) The State Department of Energy has issued an alternative energy  
21 device system certificate for the alternative energy device; and

22 (B) The taxpayer has obtained all building permits required for con-  
23 struction or installation of the device;

24 (f) A statement, signed by both the taxpayer claiming the credit and the  
25 contractor if the device was constructed or installed by a contractor, that  
26 the construction or installation meets all the requirements of ORS 469B.100  
27 to 469B.118 or, if the device is a fueling station and the taxpayer is the  
28 contractor, a statement signed by the contractor that the construction or  
29 installation meets all of the requirements of ORS 469B.100 to 469B.118;

30 (g) The date the alternative energy device was purchased by the residen-  
31 tial property owner, or, for a third-party alternative energy device installa-

1 tion, the date that the residential property owner and the alternative energy  
2 device owner signed a contract;

3 (h) The date the alternative energy device was placed in service; and

4 (i) Any other information that the Director of the State Department of  
5 Energy or the Department of Revenue determines is necessary.

6 (5)(a) When the State Department of Energy finds that an alternative  
7 energy device can meet the standards adopted under ORS 469B.103, the Di-  
8 rector of the State Department of Energy may issue a contractor system  
9 certification to the person selling and constructing or installing the alter-  
10 native energy device.

11 (b) Any person who sells or installs more than 12 alternative energy de-  
12 vices in one year shall apply for a contractor system certification. An ap-  
13 plication for a contractor system certification shall be made in writing on  
14 a form provided by the State Department of Energy and shall contain:

15 (A) A statement that the contractor has any license, bonding, insurance  
16 and permit that is required for the sale and construction or installation of  
17 the alternative energy device;

18 (B) A specific description of the alternative energy device, including, but  
19 not limited to, the material, equipment and mechanism used in the device,  
20 operating procedure, sizing and siting method and construction or installa-  
21 tion procedure;

22 (C) The addresses of three installations of the device that are available  
23 for inspection by the State Department of Energy;

24 (D) The range of installed costs to purchasers of the device;

25 (E) Any important construction, installation or operating instructions;  
26 and

27 (F) Any other information that the State Department of Energy deter-  
28 mines is necessary.

29 (c) A new application for contractor system approval shall be filed when  
30 there is a change in the information supplied under paragraph (b) of this  
31 subsection.

1 (d) The State Department of Energy may issue contractor system certifi-  
2 cates to each contractor who on October 3, 1989, has a valid dealer system  
3 certification, which shall authorize the sale and installation of the same  
4 domestic water heating alternative energy devices authorized by the dealer  
5 certification.

6 (e) If the State Department of Energy finds that an alternative energy  
7 device can meet the standards adopted under ORS 469B.103, the Director of  
8 the State Department of Energy may issue an alternative energy device sys-  
9 tem certificate to the taxpayer constructing or installing or having an al-  
10 ternative energy device constructed or installed.

11 (f) An application for an alternative energy device system certificate shall  
12 be made in writing on a form provided by the State Department of Energy  
13 and shall contain:

14 (A) A specific description of the alternative energy device, including, but  
15 not limited to, the material, equipment and mechanism used in the device,  
16 operating procedure, sizing, siting method and construction or installation  
17 procedure;

18 (B) The constructed or installed cost of the device; and

19 (C) A statement that the taxpayer has all permits required for con-  
20 struction or installation of the device.

21 (6) Prior to commencing installation of alternative energy devices, in-  
22 stallers of third-party alternative energy device installations must apply to  
23 the State Department of Energy to reserve credits on behalf of owners of  
24 residential property. Installers may reserve credit for no more than 25 in-  
25 stallations under this subsection in one application.

26 (7) To claim the tax credit, the verification form described in subsection  
27 (4) of this section shall be submitted with the taxpayer's tax return for the  
28 year the alternative energy device is placed in service or the immediately  
29 succeeding tax year. A copy of the contractor's certification certificate, al-  
30 ternative energy device system certificate or alternative fuel vehicle or re-  
31 lated equipment certificate also shall be submitted.

1 (8) The verification form and contractor's certificate, alternative energy  
2 device system certificate or alternative fuel vehicle or related equipment  
3 certificate described under this section shall be effective for purposes of tax  
4 relief allowed under ORS 316.116 or 317.115.

5 (9) The verification form and contractor's certificate described under this  
6 section may be transferred to the first purchaser of a dwelling or, in the case  
7 of construction or installation of a fueling station in an existing dwelling,  
8 the current owner, who intends to use or is using the dwelling as a principal  
9 or secondary residence.

10 (10) Any person that pays the present value of the tax credit for an al-  
11 ternative energy device provided under ORS 316.116 or 317.115 and 469B.100  
12 to 469B.118 to the person who constructs or installs the alternative energy  
13 device shall be entitled to claim the credit in the manner and subject to rules  
14 adopted by the Department of Revenue to carry out the purposes of this  
15 subsection. The State [*Department of Energy may*] **Treasurer shall** establish  
16 by rule uniform discount rates to be used in calculating the present value  
17 of a tax credit under this subsection.

18 **SECTION 5.** ORS 469B.109, as amended by section 13a, chapter 45,  
19 Oregon Laws 2012, is amended to read:

20 469B.109. (1) The owner of an alternative fuel vehicle as defined in ORS  
21 469B.100 may transfer a tax credit otherwise allowed under ORS 316.116 for  
22 cost of the vehicle in exchange for a cash payment equal to the present value  
23 of the potential tax credit, as determined at the time of the application for  
24 preliminary certification.

25 (2) The State [*Department of Energy may*] **Treasurer shall** establish by  
26 rule uniform discount rates to be used in the calculation required under this  
27 section.

28 **SECTION 6.** ORS 469B.154 is amended to read:

29 469B.154. (1) The owner of a rental housing unit may transfer a tax credit  
30 for energy conservation measures installed in rental housing units under  
31 ORS 469B.151 in exchange for a cash payment equal to the present value of

1 the tax credit. To be eligible for a transfer, the energy conservation measures  
2 must have been recommended in an energy audit as provided in ORS 469.633,  
3 469.651 or 469.675.

4 (2) The State [*Department of Energy*] **Treasurer** may establish by rule  
5 uniform discount rates to be used in calculating the present value of a tax  
6 credit under this section.

7 **SECTION 7.** ORS 285C.549 is amended to read:

8 285C.549. (1) The owner, contract purchaser or lessee of a renewable en-  
9 ergy resource equipment manufacturing facility may transfer a tax credit for  
10 the facility in exchange for a cash payment equal to the present value of the  
11 tax credit.

12 (2) The [*Director of the Oregon Business Development Department*] **State**  
13 **Treasurer** shall establish by rule a formula to be employed in the determi-  
14 nation of prices of credits transferred under this section. In establishing the  
15 formula the [*department*] **State Treasurer** shall incorporate inflation  
16 projections and market real rate of return **and may consider discount**  
17 **rates of other transferable tax credits.**

18 (3) The [*director*] **State Treasurer** shall recalculate credit transfer prices  
19 quarterly, employing the formula established under subsection (2) of this  
20 section.

21 **SECTION 8.** ORS 469B.148, as amended by section 23a, chapter 45,  
22 Oregon Laws 2012, is amended to read:

23 469B.148. (1) The owner of a facility may transfer a tax credit for the fa-  
24 cility in exchange for a cash payment equal to the present value of the po-  
25 tential tax credit, as determined at the time of the application for  
26 preliminary certification.

27 (2) The State [*Department of Energy*] **Treasurer** shall establish by rule a  
28 formula to be employed in the determination of prices of credits transferred  
29 under this section. In establishing the formula the [*department*] **State**  
30 **Treasurer** shall incorporate inflation projections and market real rate of  
31 return **and may consider discount rates of other transferable tax cred-**

1 **its.**

2 (3) The [*department*] **State Treasurer** shall recalculate credit transfer  
3 prices quarterly, employing the formula established under subsection (2) of  
4 this section.

5 (4) Notwithstanding any other provision of law, a tax credit transferred  
6 pursuant to this section does not decrease the amount of taxes required to  
7 be reported by a public utility.

8 **SECTION 9.** ORS 469B.276, as amended by section 20, chapter 45, Oregon  
9 Laws 2012, is amended to read:

10 469B.276. (1) The owner of a project may transfer a tax credit for the  
11 project in exchange for a cash payment equal to the present value of the  
12 potential tax credit, as determined at the time of the application for prelim-  
13 inary certification.

14 (2) The State [*Department of Energy*] **Treasurer** shall establish by rule a  
15 formula to be employed in the determination of prices of credits transferred  
16 under this section. In establishing the formula the [*department*] **State**  
17 **Treasurer** shall incorporate inflation projections and market real rate of  
18 return **and may consider discount rates of other transferable tax cred-**  
19 **its.**

20 (3) The [*department*] **State Treasurer** shall recalculate credit transfer  
21 prices quarterly, employing the formula established under subsection (2) of  
22 this section.

23 **SECTION 10.** ORS 469B.323 is amended to read:

24 469B.323. (1) The owner of a transportation project may transfer a tax  
25 credit for the project in exchange for a cash payment equal to the present  
26 value of the tax credit.

27 (2) The State [*Department of Energy*] **Treasurer** shall establish by rule a  
28 formula to be employed in the determination of prices of credits transferred  
29 under this section. In establishing the formula the [*department*] **State**  
30 **Treasurer** shall incorporate inflation projections and market real rate of  
31 return **and may consider discount rates of other transferable tax cred-**

1 **its.**

2 (3) The [*department*] **State Treasurer** shall recalculate credit transfer  
3 prices quarterly, employing the formula established under subsection (2) of  
4 this section.

5 **SECTION 11.** ORS 469B.320, as amended by section 7, chapter 45, Oregon  
6 Laws 2012, is amended to read:

7 469B.320. As used in ORS 315.336 and 469B.320 to 469B.347:

8 (1) “Alternative fuel vehicle infrastructure project” includes a facility for  
9 mixing, storing, compressing or dispensing fuels for alternative fuel vehicles,  
10 and any other necessary and reasonable equipment.

11 (2) “Cost” includes capital expenditures and core expenses such as vehicle  
12 repair, fuel, personnel and administrative expenses.

13 (3) “Transportation project” means:

14 (a) Transit services provided to members of the public by a public or  
15 nonprofit entity that receives state or federal funding for those services, or  
16 is the direct recipient of funding from an entity that receives state or federal  
17 funding for the services; [*or*]

18 (b) An alternative fuel vehicle infrastructure project; **or**

19 (c) **Replacement of an alternative fuel vehicle fleet.**

20 **SECTION 12.** (1) **The amendments to ORS 285C.549, 315.331, 315.336,**  
21 **469B.106, 469B.109, 469B.148, 469B.154, 469B.276, 469B.285 and 469B.323 by**  
22 **sections 1 to 10 of this 2013 Act apply to tax years beginning on or after**  
23 **January 1, 2014.**

24 (2) **The amendments to ORS 469B.320 by section 11 of this 2013 Act**  
25 **apply to tax years beginning on or after January 1, 2015.**

26 **SECTION 13.** **This 2013 Act takes effect on the 91st day after the**  
27 **date on which the 2013 regular session of the Seventy-seventh Legis-**  
28 **lative Assembly adjourns sine die.**

29