

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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| <b>Action:</b>        | Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by Prior Reference |
| <b>Vote:</b>          | 6 - 0 - 0   |
| <b>Yeas:</b>          | Edwards, Girod, Monroe, Starr, Thomsen, Beyer   |
| <b>Nays:</b>          | 0   |
| <b>Exc.:</b>          | 0   |
| <b>Prepared By:</b>   | Patrick Brennan, Administrator  |
| <b>Meeting Dates:</b> | 4/2, 4/8  |

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**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:**

- Potential environmental benefits to the use of alternative fuel vehicles
- Performance capabilities of alternative fuel vehicles
- Potential budgetary benefits to governmental entities that transition to alternative fuel vehicles
- Supply of propane relative to gasoline
- Method by which alternative fuel vehicles pay into the State Highway Fund

**EFFECT OF COMMITTEE AMENDMENT:** Replaces original measure.

**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 .