

**77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2435 A
CARRIER: Rep. Bailey**

**REVENUE: Revenue Impact Statement Issued
FISCAL: Minimal Fiscal Impact**

Action: Do Pass
Vote: 7-2-0
Yeas: Bailey, Berger, Conger, Gelser, Read, Vega Pederson, Barnhart
Nays: Bentz, Davis
Exc.: 0

**Prepared By: Mazen Malik, Economist
Meeting Dates: 03/28, 05/01**

WHAT THE BILL DOES: Exempts diesel fuel blended with at least 20 percent biodiesel derived from used cooking oil from fuel excise tax. Exemption does not apply to fuel used in motor vehicles with gross vehicle weight of 26,001 pounds or more. Applies to fuel sold after January 1, 2014 and before January 1, 2020.

ISSUES DISCUSSED:

- Production capacity of 17 million gallons, and current production of 5 million gallons.
- Environmental benefits.
- Administration of the Program.
- Sunset date.
- Blending in the past verses new technology.
- Impacts on the revenues, tax expenditure and policy statement.

EFFECT OF COMMITTEE AMENDMENTS: No amendment

BACKGROUND:

Vehicle fuels are currently subject to a fuels excise tax of 30 cents per gallon. Biodiesel can be produced using cooking oil sourced from restaurants and other facilities. This measure would exempt such biodiesels from the fuel tax when used in vehicles below 26,000 lbs. Vehicles with weights greater than 26,000 don't pay diesel tax but pays the weight mile tax. A similar (HB 2196) bill was discussed in the 2011 session.

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