

**77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MINORITY REPORT
MEASURE: HB 2435 - MRB
CARRIER: Sen. George**

**REVENUE: Revenue Impact Statement Issued
FISCAL: Minimal Fiscal Impact, no statement issued**

Action: Do Pass with different Amendments to the A-Eng. Bill. (Printed B-Eng Minority)

Signers of the Report: Sen. Baertschiger, Sen. George

Prepared By: Mazen Malik, Sr. Economist

Meeting Dates: 5/22; 6/10; 6/26

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. Adds geothermal to eligible forms of energy for net metering. Exempts Oregon residents receiving government assistance from paying the Public Service Charge.

ISSUES DISCUSSED:

- Net metering and geothermal energy.
- Public purpose charge.
- Turning cooking oil waste into useable energy source.
- The new clean forms of energy.

EFFECT OF COMMITTEE AMENDMENTS:

The amendment restricts the facilities eligible for exemption to commercial/retail establishments (no card locks and fleet services). The amendment allows geothermal energy in the net metering categories. Exempts residential electricity consumers from paying the Public Purpose Charge if they receive financial assistance from the state or federal government.

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 pay the weight mile tax. A similar (HB 2196) bill was discussed in the 2011 session.

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