

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
 Establishes Alternative Fuel Vehicle Revolving Fund.

Government Unit(s) Affected:
 Department of Energy

Summary of Expenditure Impact:

	2013-15 Biennium	2015-17 Biennium
Other Funds	3,000,000	
Total Funds	\$3,000,000	

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 to hold a one-time auction of no more than \$3.0 million in tax credits to establish the initial funding source for the AVF. The Department of Revenue can charge up to .25 percent of proceeds from the sale of the tax credits to cover its administration costs. Remaining revenues from the tax credit auction are expected to fund Department of Energy administration and overhead costs as well as the loan program.

For the purposes of this analysis it is assumed that the Department of Revenue is able to sell all of the tax credits at a 1:1 ratio, meaning that a \$1 tax credit sells for \$1, resulting in \$3.0 million in revenues. Additionally, a .25 percent one-time administration fee will be charged, or \$7,500; leaving a total of \$2,992,500 million to establish the AVF to fund the loan program and Department of Energy administration expenses.

Initial startup costs for the program in the 2013-15 biennium are estimated at \$179,000 Other Funds and include work to be completed by existing State Energy Loan Program (SELP) employees, rulemaking, loan application forms, marketing tools and the creation of a website. Ongoing program administration in the 2015-17 biennium is estimated at \$64,000 Other Funds. The 2013-15 budget for the Department of Energy, as recommended by the Joint Ways and Means Committee, includes sufficient staffing to accommodate this program. Administration and overhead costs for the program will be expended from the Alternative Fuel Vehicle Revolving Fund.