

Senate Bill 583

Sponsored by Senator STARR

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Alternative Fuel Vehicle Revolving Fund. Continuously appropriates moneys in fund to State Department of Energy. Permits public bodies to borrow from fund to purchase alternative fuel vehicles.

A BILL FOR AN ACT

1
2 Relating to alternative fuel vehicles; and appropriating money.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 7 of this 2013 Act:**

5 (1) "Alternative fuel vehicle" means a motor vehicle, as defined in ORS 801.360, that is
6 manufactured or modified to use an alternative fuel, including but not limited to electricity,
7 natural gas, ethanol, methanol, propane and any other fuel approved in rules adopted by the
8 Director of the State Department of Energy that produces less exhaust emissions than ve-
9 hicles fueled by gasoline or diesel.

10 (2) "Public body" has the meaning given that term in ORS 174.109.

11 **SECTION 2. (1) The Alternative Fuel Vehicle Revolving Fund is established in the State**
12 **Treasury, separate and distinct from the General Fund. Interest earned by the Alternative**
13 **Fuel Vehicle Revolving Fund shall be credited to the fund. The moneys in the Alternative**
14 **Fuel Vehicle Revolving Fund are continuously appropriated to the State Department of En-**
15 **ergy to be used for the purposes described in section 3 of this 2013 Act.**

16 (2) The Alternative Fuel Vehicle Revolving Fund shall consist of:

17 (a) Moneys appropriated by the Legislative Assembly;

18 (b) Any other revenues derived from gifts, grants or bequests pledged to the state for the
19 purpose of providing financial assistance for purchase of alternative fuel vehicles;

20 (c) All repayments of moneys borrowed from the fund; and

21 (d) All interest payments made by borrowers from the fund.

22 (3) The State Treasurer may invest and reinvest moneys in the Alternative Fuel Vehicle
23 Revolving Fund in the manner provided by law. All earnings from such investment and re-
24 investment shall be credited to the Alternative Fuel Vehicle Revolving Fund.

25 **SECTION 3. (1) The State Department of Energy shall use the moneys in the Alternative**
26 **Fuel Vehicle Revolving Fund to provide loans to public bodies for the purchase of alternative**
27 **fuel vehicles.**

28 (2) The department may also use the moneys in the Alternative Fuel Vehicle Revolving
29 Fund to pay the expenses of the department in administering the Alternative Fuel Vehicle
30 Revolving Fund and the loan program.

31 **SECTION 4. (1) In administering the Alternative Fuel Vehicle Revolving Fund, the State**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 Department of Energy shall:

2 (a) Allocate funds for loans in accordance with procedures adopted by rule by the de-
3 partment.

4 (b) Use accounting, audit and fiscal procedures that conform to generally accepted gov-
5 ernment accounting standards.

6 (c) Seek to maximize the ability of the Alternative Fuel Vehicle Revolving Fund to oper-
7 ate on a self-sustaining basis and to maintain a perpetual source of financing for the pur-
8 chase of alternative fuel vehicles.

9 (2) In connection with the loan program, the department may:

10 (a) Establish requirements for loans made from the Alternative Fuel Vehicle Revolving
11 Fund to ensure that adequate funds will be available in the Alternative Fuel Vehicle Re-
12 volving Fund to pay the costs of administering the fund and the loan program.

13 (b) Exercise any remedies available to the department in connection with defaults on
14 loans of advanced funds to public bodies.

15 **SECTION 5.** (1) Any public body desiring a loan from the Alternative Fuel Vehicle Re-
16 volving Fund shall submit an application to the State Department of Energy. The application
17 shall be in such form as may be specified by the department.

18 (2) Any public body receiving a loan from the Alternative Fuel Vehicle Revolving Fund
19 shall establish and maintain a dedicated source of revenue or other acceptable source of re-
20 venue for the repayment of the loan.

21 **SECTION 6.** Notwithstanding any limitation contained in any other provision of law or
22 local charter, a public body may:

23 (1) Borrow money from the Alternative Fuel Vehicle Revolving Fund through the State
24 Department of Energy; and

25 (2) Enter into loan agreements and make related agreements with the department in
26 which the public body agrees to repay the borrowed money in accordance with the terms of
27 the loan agreement.

28 **SECTION 7.** (1) The State Department of Energy shall establish by rule policies for es-
29 tablishing loan terms and interest rates for loans made from the Alternative Fuel Vehicle
30 Revolving Fund that ensure that the objectives of sections 1 to 7 of this 2013 Act are met
31 and that adequate funds are maintained in the Alternative Fuel Vehicle Revolving Fund to
32 meet future needs. In establishing the policy, the department shall take into consideration
33 at least the following factors:

34 (a) The ability of a public body to repay a loan.

35 (b) Current market rates of interest.

36 (2) The department may establish an interest rate ranging from zero to the market rate.
37 The department may establish the loan term, provided that the loans must be fully amortized
38 not later than 20 years after purchase of the alternative fuel vehicle.

39 (3) The department shall adopt by rule any procedures or standards necessary to carry
40 out the provisions of sections 1 to 7 of this 2013 Act.