

**PROPOSED AMENDMENTS TO
SENATE BILL 583**

1 On page 1 of the printed bill, line 2, delete “and” and after “money” insert
2 “; and prescribing an effective date”.

3 Delete lines 4 through 31 and delete page 2 and insert:

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**
6 **ORS 801.360, that is manufactured or modified to use an alternative**
7 **fuel, including but not limited to electricity, biofuel, gasohol with at**
8 **least 20 percent denatured alcohol content, hydrogen, hythane,**
9 **methane, methanol, natural gas, propane or any other fuel approved**
10 **by the Director of the State Department of Energy, and that produces**
11 **lower exhaust emissions or is more energy efficient than equivalent**
12 **equipment fueled by gasoline or diesel.**

13 **“(2) ‘Public body’ has the meaning given that term in ORS 174.109.**

14 **“(3) ‘Tribe’ means a federally recognized Indian tribe in Oregon.**

15 **“SECTION 2. (1) The Alternative Fuel Vehicle Revolving Fund is**
16 **established in the State Treasury, separate and distinct from the**
17 **General Fund. Interest earned by the Alternative Fuel Vehicle Re-**
18 **volving Fund shall be credited to the fund. The moneys in the Alter-**
19 **native Fuel Vehicle Revolving Fund are continuously appropriated to**
20 **the State Department of Energy to be used for the purposes described**
21 **in section 3 of this 2013 Act.**

22 **“(2) The State Treasurer may accept contributions, donations, be-**

1 **quests, gifts or grants from any source, whether public or private.**
2 **Moneys received under this subsection shall be deposited into the Al-**
3 **ternative Fuel Vehicle Revolving Fund.**

4 **“(3) The Alternative Fuel Vehicle Revolving Fund shall consist of:**

5 **“(a) Moneys appropriated by the Legislative Assembly;**

6 **“(b) Any other revenues derived from contributions, donations, be-**
7 **quests, gifts or grants;**

8 **“(c) Other amounts deposited in the fund from any source;**

9 **“(d) All repayments of moneys borrowed from the fund; and**

10 **“(e) All interest payments made by borrowers from the fund.**

11 **“(4) The State Treasurer may invest and reinvest moneys in the**
12 **Alternative Fuel Vehicle Revolving Fund in the manner provided by**
13 **law. All earnings from such investment and reinvestment shall be**
14 **credited to the Alternative Fuel Vehicle Revolving Fund.**

15 **“SECTION 3. (1) The State Department of Energy shall use the**
16 **moneys in the Alternative Fuel Vehicle Revolving Fund for a loan**
17 **program to provide loans to public bodies and tribes to purchase new**
18 **alternative fuel vehicles or to convert existing vehicles that use gaso-**
19 **line or diesel to alternative fuel vehicles.**

20 **“(2) The department may also use the moneys in the Alternative**
21 **Fuel Vehicle Revolving Fund to pay the expenses of the department**
22 **in administering the Alternative Fuel Vehicle Revolving Fund and the**
23 **loan program.**

24 **“SECTION 4. (1) In administering the Alternative Fuel Vehicle Re-**
25 **volving Fund, the State Department of Energy shall:**

26 **“(a) Allocate funds for loans in accordance with procedures adopted**
27 **by the department by rule.**

28 **“(b) Use accounting, auditing and fiscal procedures that conform**
29 **to generally accepted government accounting standards.**

30 **“(c) Seek to maximize the ability of the Alternative Fuel Vehicle**

1 **Revolving Fund to operate on a self-sustaining basis and to maintain**
2 **a perpetual source of financing to purchase new alternative fuel vehi-**
3 **cles or to convert existing vehicles that use gasoline or diesel to al-**
4 **ternative fuel vehicles.**

5 **“(2) In connection with the loan program, the department may:**

6 **“(a) Establish requirements for loans made from the Alternative**
7 **Fuel Vehicle Revolving Fund to ensure that adequate funds will be**
8 **available in the fund to pay the costs of administering the fund and**
9 **the loan program.**

10 **“(b) Exercise any remedies available to the department in con-**
11 **nection with defaults on loans of advanced funds made to public bodies**
12 **and tribes.**

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

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

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

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

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

28 **“SECTION 7. (1) The State Department of Energy shall establish**
29 **by rule policies for establishing loan terms and interest rates for loans**
30 **made from the Alternative Fuel Vehicle Revolving Fund that ensure**

1 that the objectives of sections 1 to 7 of this 2013 Act are met and that
2 adequate funds are maintained in the Alternative Fuel Vehicle Re-
3 volving Fund to meet future needs. In establishing the policy, the
4 department shall take into consideration at least the following factors:

5 “(a) The ability of a public body or tribe to repay a loan.

6 “(b) Current market rates of interest.

7 “(2) The department may establish an interest rate ranging from
8 zero to the market rate. The department may establish the loan term,
9 provided that the loan is fully amortized not later than six years after
10 the purchase of a new alternative fuel vehicle or the conversion of a
11 vehicle that uses gasoline or diesel to an alternative fuel vehicle.

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

14 “SECTION 8. Section 9 of this 2013 Act is added to and made a part
15 of ORS chapter 315.

16 “SECTION 9. (1) A credit against the taxes that are otherwise due
17 under ORS chapter 316 or, if the taxpayer is a corporation, under ORS
18 chapter 317 or 318, is allowed to a taxpayer for certified alternative fuel
19 vehicle contributions made by the taxpayer during the tax year to the
20 Alternative Fuel Vehicle Revolving Fund established under section 2
21 of this 2013 Act.

22 “(2)(a) The Department of Revenue shall, in cooperation with the
23 State Department of Energy, conduct an auction of tax credits under
24 this section. The Department of Revenue may not auction more than
25 \$3 million of tax credits under this section. The department may con-
26 duct the auction in the manner that the department determines is best
27 suited to maximize the return to the state on the sale of tax credit
28 certifications and shall announce a reserve bid prior to conducting the
29 auction. The reserve amount shall be at least 95 percent of the total
30 amount of the tax credit. Moneys necessary to reimburse the Depart-

1 ment of Revenue for the actual costs incurred by the department in
2 administering an auction, not to exceed 0.25 percent of auction pro-
3 ceeds, are continuously appropriated to the department. The Depart-
4 ment of Revenue shall deposit net receipts from the auction required
5 under this section in the Alternative Fuel Vehicle Revolving Fund es-
6 tablished under section 2 of this 2013 Act. Net receipts from the auc-
7 tion required under this section shall be used to provide loans to public
8 bodies and tribes, as those terms are defined in section 1 of this 2013
9 Act, to purchase new alternative fuel vehicles, as defined in section 1
10 of this 2013 Act, or to convert existing vehicles that use gasoline or
11 diesel to alternative fuel vehicles.

12 “(b) The State Department of Energy shall adopt rules for the ad-
13 ministration and implementation of this section.

14 “(3) Contributions made under this section shall be deposited in the
15 Alternative Fuel Vehicle Revolving Fund.

16 “(4)(a) Upon receipt of a contribution, the State Department of
17 Energy shall issue to the taxpayer written certification of the amount
18 certified for tax credit under this section to the extent the amount
19 certified for tax credit, when added to all amounts previously certified
20 for tax credit under this section, does not exceed \$3 million for the tax
21 year beginning January 1, 2013.

22 “(b) The State Department of Energy and the Department of Reve-
23 nue are not liable, and a refund of a contributed amount need not be
24 made, if a taxpayer who has received tax credit certification is unable
25 to use all or a portion of the tax credit to offset the tax liability of the
26 taxpayer.

27 “(5) The tax credit allowed under this section for any one tax year
28 may not exceed the tax liability of the taxpayer.

29 “(6) Any tax credit otherwise allowable under this section that is
30 not used by the taxpayer in a particular tax year may be carried for-

1 ward and offset against the taxpayer's tax liability for the next suc-
2 ceeding tax year. Any credit remaining unused in the next succeeding
3 tax year may be carried forward and used in the second succeeding tax
4 year, and, likewise, any credit not used in the second succeeding tax
5 year may be carried forward and used in the third succeeding tax year
6 but may not be carried forward for any tax year thereafter.

7 “(7) If a tax credit is claimed under this section by a nonresident
8 or part-year resident taxpayer, the amount shall be allowed without
9 proration under ORS 316.117.

10 “(8) If the amount of contribution for which a tax credit certif-
11 ication is made is allowed as a deduction for federal tax purposes, the
12 amount of the contribution shall be added to federal taxable income
13 for Oregon tax purposes.

14 “SECTION 10. Section 9 of this 2013 Act applies to tax years begin-
15 ning on or after January 1, 2013, and before January 1, 2015.

16 “SECTION 11. This 2013 Act takes effect on the 91st day after the
17 date on which the 2013 regular session of the Seventy-seventh Legis-
18 lative Assembly adjourns sine die.”.

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