

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 2 - 0
Yeas:	Bentz, Boone, Johnson, Lininger, Reardon, Smith Warner, Vega Pederson, Bailey
Nays:	Weidner, Whitsett
Exc.:	0
Prepared By:	Rick Berkobien, Administrator
Meeting Dates:	2/11, 2/13

WHAT THE MEASURE DOES: Extends Alternative Fuel Vehicle Revolving Fund (Fund) program to certain private entities that operate a fleet of motor vehicles. Allows Department of Energy (DOE) to require private entity, public body or tribe that applies for loan from Fund to pay one-tenth of one percent of loan amount applied for or \$2,500, whichever is less. Stipulates that private entity, public body, or tribe applying for loan may be required to pay DOE for costs incurred with application if costs exceed application fee and DOE determines costs are incurred solely in conjunction with application. Extends to biennium beginning July 1, 2015 requirement that limits on total amounts of potential tax credits for all transportation projects be reduced by the total amount of potential tax credits auctioned under Oregon law. Extends range of applicable tax law by two years, from 2015 to 2017. Applies to tax years beginning on or after January 1, 2015. Declares an emergency; effective upon passage.

ISSUES DISCUSSED:

- History and reason for Fund
- Department of Energy can sell credits
- Effect of amendment
- Terms of loans and how they compare to commercial loans
- Rate-setting takes risk into account
- Criterion when considering making loan
- Need for further rule-making to extend program

EFFECT OF COMMITTEE AMENDMENT: Allows Department of Energy (DOE) to require private entity, public body or tribe that applies for loan from Fund to pay one-tenth of one percent of loan amount applied for or \$2,500, whichever is less. Stipulates that private entity, public body, or tribe applying for loan may be required to pay DOE for costs incurred with application if costs exceed application fee and DOE determines costs are incurred solely in conjunction with application. Extends to biennium beginning July 1, 2015 requirement that limits on total amounts of potential tax credits for all transportation projects be reduced by the total amount of potential tax credits auctioned under Oregon law. Extends range of applicable tax law by two years, from 2015 to 2017.

BACKGROUND: Senate Bill 583 (2013) established the Alternative Fuel Vehicle Revolving Fund to provide loans to Oregon's public bodies and federally recognized tribes. These loans assist in the purchase of new alternative fuel vehicles and help convert existing gasoline or diesel vehicles to alternative fuels. The Department of Energy administers the fund and related loans through a similar process utilized in its Small Scale Energy Loan Program. Proceeds from a tax credit auction up to \$3 million are used to build the revolving fund.

House Bill 4107-A extends the loan program to private businesses or companies that operate a fleet of motor vehicles in areas described in ORS 468A.390 (areas of state subject to motor vehicle emission inspection program) or ORS 815.300 (exemptions from requirements to have a pollution control system), and which do not hire fleet drivers who qualify as independent contractors.

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This summary has not been adopted or officially endorsed by action of the committee.