

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 1 - 0
Yeas:	Edwards, Monroe, Starr, Thomsen, Beyer
Nays:	Girod
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/20

WHAT THE MEASURE DOES: Extends eligibility for Alternative Fuel Vehicle Revolving Fund program to certain private entities that operate motor vehicle fleets. Allows Oregon Department of Energy 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. Specifies that private entity, public body or tribe applying for loan may be required to pay Department for costs incurred with application if costs exceed application fee and Department determines costs are incurred solely in conjunction with application. Extends to biennium beginning July 2, 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 emergency, effective on passage.

ISSUES DISCUSSED:

- Senate Bill 583 (2013)
- Rationale for selecting Medford and Portland areas for applicability for private fleets
- Other areas of the state that could benefit from possible extension of program in future
- Status of sale of tax credits
- Limited funds available
- Revolving loan fund will be replenished over time
- Loan origination fees

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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 of up to \$3 million from a tax credit auction 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.