

A-Engrossed
House Bill 4107

Ordered by the House February 14
Including House Amendments dated February 14

Sponsored by Representative KOTEK; Representatives GORSEK, KENY-GUYER, SMITH WARNER, VEGA PEDERSON (Presession filed.)

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.

Extends Alternative Fuel Vehicle Revolving Fund loan program to certain private entities.
Permits State Department of Energy to charge application fee for Alternative Fuel Vehicle Revolving Fund loan.
Extends income tax credit for alternative fuel vehicle contributions by one biennium.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to alternative fuel vehicles; creating new provisions; amending ORS 469.960, 469.962,
3 469.963, 469.964, 469.965 and 469.966 and sections 10 and 11, chapter 774, Oregon Laws 2013; and
4 declaring an emergency.

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

6 **SECTION 1.** ORS 469.960 is amended to read:

7 469.960. As used in ORS 469.960 to 469.966:

8 (1) "Alternative fuel vehicle" means a motor vehicle, as defined in ORS 801.360, that is manu-
9 factured or modified to use an alternative fuel, including but not limited to electricity, biofuel,
10 gasohol with at least 20 percent denatured alcohol content, hydrogen, hythane, methane, methanol,
11 natural gas, propane or any other fuel approved by the Director of the State Department of Energy,
12 and that produces lower exhaust emissions or is more energy efficient than equivalent equipment
13 fueled by gasoline or diesel.

14 (2) "Private entity" means a private business or company that:

15 (a) Operates a fleet of motor vehicles that are based in an area described in ORS 468A.390
16 or 815.300 (2); and

17 (b) Does not hire fleet drivers who qualify as independent contractors, as defined in ORS
18 670.600.

19 [(2)] (3) "Public body" has the meaning given that term in ORS 174.109.

20 [(3)] (4) "Tribe" means a federally recognized Indian tribe in Oregon.

21 **SECTION 2.** ORS 469.962 is amended to read:

22 469.962. (1) The State Department of Energy shall use the moneys in the Alternative Fuel Ve-
23 hicle Revolving Fund for a loan program to provide loans to **private entities**, public bodies and
24 tribes to:

25 (a) Assist in the purchase of new alternative fuel vehicles by providing funding for the additional
26 cost of purchasing alternative fuel vehicles as compared to vehicles that are not alternative fuel

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 vehicles; and

2 (b) Convert existing vehicles that use gasoline or diesel to alternative fuel vehicles.

3 (2) Funding priority under subsection (1) of this section must be given to vehicle conversions.

4 (3) The department may also use the moneys in the Alternative Fuel Vehicle Revolving Fund to
5 pay the expenses of the department in administering the Alternative Fuel Vehicle Revolving Fund
6 and the loan program and any other costs incurred by the department in carrying out the provisions
7 of ORS 469.960 to 469.966.

8 **SECTION 3.** ORS 469.963 is amended to read:

9 469.963. (1) In administering the Alternative Fuel Vehicle Revolving Fund, the State Department
10 of Energy shall:

11 (a) Allocate funds for loans in accordance with procedures adopted by the department by rule.

12 (b) Use accounting, auditing and fiscal procedures that conform to generally accepted govern-
13 ment accounting standards.

14 (c) Seek to maximize the ability of the Alternative Fuel Vehicle Revolving Fund to operate on
15 a self-sustaining basis and to maintain a perpetual source of financing to provide loans as described
16 in ORS 469.962.

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

18 (a) Establish requirements for loans made from the Alternative Fuel Vehicle Revolving Fund to
19 ensure that adequate funds will be available in the fund to pay the costs of administering the fund
20 and the loan program.

21 (b) Exercise any remedies available to the department in connection with defaults on loans of
22 advanced funds made to **private entities**, public bodies and tribes.

23 **SECTION 4.** ORS 469.964 is amended to read:

24 469.964. (1) Any **private entity**, public body or tribe desiring a loan from the Alternative Fuel
25 Vehicle Revolving Fund shall submit an application to the State Department of Energy. The appli-
26 cation shall be in such form as may be specified by the department.

27 (2) Any **private entity**, public body or tribe receiving a loan from the Alternative Fuel Vehicle
28 Revolving Fund shall establish and maintain a dedicated source of revenue or other acceptable
29 source of revenue for the repayment of the loan.

30 **(3)(a) The State Department of Energy may require a private entity, public body or tribe**
31 **that applies for a loan from the Alternative Fuel Vehicle Revolving Fund to pay a fee of**
32 **one-tenth of one percent of the amount of the loan applied for or \$2,500, whichever is less.**

33 **(b) In addition to the fee described in paragraph (a) of this subsection, a private entity,**
34 **public body or tribe applying for a loan may be required to pay the department for costs in-**
35 **curring in connection with the application if the costs exceed the application fee and the Di-**
36 **rector of the State Department of Energy determines that the costs are incurred solely in**
37 **connection with processing the application. The private entity, public body or tribe shall be**
38 **advised of any additional costs that the private entity, public body or tribe must pay before**
39 **the costs are incurred.**

40 **SECTION 5.** ORS 469.965 is amended to read:

41 469.965. Notwithstanding any limitation contained in any other provision of law or local charter,
42 a **private entity**, public body or tribe may:

43 (1) Borrow money from the Alternative Fuel Vehicle Revolving Fund through the State Depart-
44 ment of Energy; and

45 (2) Enter into loan agreements and make related agreements with the department, in which the

1 **private entity**, public body or tribe agrees to repay the borrowed money in accordance with the
2 terms of the loan agreement.

3 **SECTION 6.** ORS 469.966 is amended to read:

4 469.966. (1) The State Department of Energy shall establish by rule policies for establishing loan
5 terms and interest rates for loans made from the Alternative Fuel Vehicle Revolving Fund that en-
6 sure that the objectives of ORS 469.960 to 469.966 are met and that adequate funds are maintained
7 in the Alternative Fuel Vehicle Revolving Fund to meet future needs. In establishing the policy, the
8 department shall take into consideration at least the following factors:

9 (a) The ability of a **private entity**, public body or tribe to repay a loan.

10 (b) Current market rates of interest.

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

15 (3) The department shall adopt by rule any procedures or standards necessary to carry out the
16 provisions of ORS 469.960 to 469.966.

17 **SECTION 7. The amendments to ORS 469.960, 469.962, 469.963, 469.964, 469.965 and 469.966**
18 **by sections 1 to 6 of this 2014 Act apply to tax years beginning on or after January 1, 2015.**

19 **SECTION 8.** Section 10, chapter 774, Oregon Laws 2013, is amended to read:

20 **Sec. 10.** During the [*biennium*] **biennia** beginning July 1, 2013, **and July 1, 2015**, the limit im-
21 posed under ORS 469B.344 (1)(a) on the total amount of potential tax credits for all transportation
22 projects in this state shall be reduced by the total amount of potential tax credits auctioned under
23 section 9 [*of this 2013 Act*], **chapter 774, Oregon Laws 2013**, during the [*biennium*] **biennia** begin-
24 ning July 1, 2013, **and July 1, 2015**.

25 **SECTION 9.** Section 11, chapter 774, Oregon Laws 2013, is amended to read:

26 **Sec. 11.** Section 9 [*of this 2013 Act*], **chapter 774, Oregon Laws 2013**, applies to tax years be-
27 ginning on or after January 1, 2013, and before January 1, [*2015*] **2017**.

28 **SECTION 10. This 2014 Act being necessary for the immediate preservation of the public**
29 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**
30 **on its passage.**

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