

**Enrolled**  
**House Bill 4107**

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

CHAPTER .....

AN ACT

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

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

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

469.960. As used in ORS 469.960 to 469.966:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) Allocate funds for loans in accordance with procedures adopted by the department by rule.
- (b) Use accounting, auditing and fiscal procedures that conform to generally accepted government accounting standards.
- (c) Seek to maximize the ability of the Alternative Fuel Vehicle Revolving Fund to operate on a self-sustaining basis and to maintain a perpetual source of financing to provide loans as described in ORS 469.962.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The ability of a **private entity**, public body or tribe to repay a loan.
- (b) Current market rates of interest.

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

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

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

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

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

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

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

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

**Passed by House February 17, 2014**

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate February 24, 2014**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2014

**Approved:**

.....M.,....., 2014

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2014

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Kate Brown, Secretary of State