

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2092 - 3

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: April 15, 2015

Measure Description:

Creates tax credit for contributions to Zero-Emission Incentive Fund.

Government Unit(s) Affected:

Oregon Department of Energy (ODOE), Department of Revenue (DOR)

Summary of Expenditure Impact:

See Analysis below

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

HB 2092-3 establishes a tax credit and other programs to increase the use of alternative fuel or zero-emission vehicles. The bill establishes the Zero-Emission Incentive Fund and creates a tax credit for those who contribute to the fund. The bill does not specify a cap on contributions to the fund. The fund is to be used to pay rebates and for costs to implement the other provisions of the bill.

The Department of Revenue (DOR) would be required to conduct an auction of the tax credits and the bill allows that the costs of administering the auction would be covered by auction proceeds, but cannot exceed 0.25 percent of the proceeds. DOR believes that there is only a minimal fiscal impact to the agency for administrative actions related to the new tax credit program.

The measure requires the Oregon Department of Energy (ODOE) to establish programs to increase the use of alternative fuel or zero-emission vehicles, and provides definitions for eligible vehicles. ODOE is required to develop and implement the Charge Ahead Program to increase usage and make alternative fuel or zero-emission vehicles more affordable and accessible. The agency is also required to establish a program to provide rebates to owners of qualifying vehicles. In addition, the bill requires ODOE to contract with a third-party vendor for implementing the Charge Ahead Program and allows the agency to contract with a third-party vendor to market the tax credits. ODOE would be required to report to the Legislature on the Charge Ahead program and on use of the moneys in the Zero-Emission Incentive Fund.

ODOE estimates costs of \$370,048 in 2015-17, excluding the cost of contracting with third-party vendors because the agency does not yet have a way to estimate such costs. The majority of the costs are for two positions (1.75 FTE in 2015-17 and 2.00 FTE in 2017-19) to administer the requirements of the measure. In 2015-17, \$122,496 of the \$370,048 would be for other costs associated with the new positions and programs. The costs to ODOE are anticipated to grow to \$407,637 in 2017-19, representing the full biennial costs of the new programs, again excluding third-party contract costs.