

# House Bill 2575

Sponsored by Representative BARNHART; Representative LIVELY (Pre-session 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 **as introduced**.

Establishes Charge Ahead Oregon Credit Enhancement Program in Oregon Business Development Department to provide loan and credit guarantees to financial institutions to enable qualified applicants to lease or purchase zero-emission or near-zero-emission vehicles.

Creates Charge Ahead Oregon Credit Enhancement Program Fund. Appropriates moneys in fund to department.

## A BILL FOR AN ACT

Relating to credit enhancement program to facilitate purchase of certain vehicles.

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

### **SECTION 1. As used in sections 1 to 6 of this 2015 Act:**

(1) **“Financial institution” means all the entities defined in ORS 706.008 and other institutions defined by rule of the Oregon Business Development Department as financial institutions for purposes of sections 1 to 6 of this 2015 Act.**

(2) **“Near-zero-emission vehicle” means a vehicle that utilizes zero-emission technologies, enables technologies that provide a pathway to zero-emissions operations or incorporates other technologies that significantly reduce criteria pollutants, toxic air contaminants and greenhouse gas emissions as defined by rule of the Oregon Business Development Department and that are consistent with meeting this state’s air quality standards and climate goals.**

(3) **“Qualified applicant” means a resident of this state who is determined by the department to be a disadvantaged person of low to moderate income who would benefit from access to electric transportation.**

(4) **“Zero-emission vehicle” means a vehicle that produces no emissions of criteria pollutants, toxic air contaminants and greenhouse gases when stationary or operating as determined by rule of the Oregon Business Development Department.**

### **SECTION 2. The Legislative Assembly declares that it is the purpose of the Charge Ahead Oregon Credit Enhancement Program to:**

(1) **Create incentives and provide assistance to increase access for disadvantaged persons of low to moderate income who are residents of this state to zero-emission and near-zero-emission vehicles;**

(2) **Provide persons of low to moderate income who are residents of this state with a means to save money on fuel for the purpose of using saved moneys for other necessities of life;**

(3) **Enhance air quality, lower greenhouse gas emissions and promote overall benefits for Oregon communities and consumers; and**

(4) **Further economic development by contributing to technology advancement, market**

**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 readiness and consumer acceptance of zero-emission and near-zero-emission vehicles in this  
2 state.

3 **SECTION 3.** (1) The Oregon Business Development Department shall develop the Charge  
4 Ahead Oregon Credit Enhancement Program, pursuant to which the department, under  
5 contracts with financial institutions, shall provide loan guarantees, insurance, coinsurance  
6 in conjunction with other providers of loan guarantee programs or other forms of credit  
7 guarantees to enable qualified applicants to lease or purchase zero-emission or near-zero-  
8 emission vehicles.

9 (2) In administering the Charge Ahead Oregon Credit Enhancement Program, the de-  
10 partment shall consult and cooperate with financial institutions in this state. The program  
11 shall be administered so that procedures and application processes are as responsive to the  
12 needs of qualified applicants and financial institutions as practicable, consistent with prudent  
13 investment and lending practices and criteria.

14 (3) The department shall prescribe by rule the loan or credit guarantee application pro-  
15 cedure for a financial institution on behalf of a qualified applicant.

16 (4) When the department approves a loan or credit guarantee, the department shall enter  
17 into a loan or credit guarantee agreement with the financial institution. The agreement shall  
18 specify:

19 (a) The fee to be charged to the financial institution;

20 (b) The evidence of debt assurance of, and security for, the loan or credit guarantee;

21 (c) A loan guarantee or credit guarantee that does not exceed 10 years; and

22 (d) Such other terms and conditions considered necessary or desirable by the depart-  
23 ment.

24 **SECTION 4.** (1) When making loan or credit guarantees under the Charge Ahead Oregon  
25 Credit Enhancement Program, the Oregon Business Development Department shall establish  
26 fees and other terms for loan or credit guarantees that are calculated to reasonably ensure  
27 that persons with access to other forms of private capital will find it economical not to  
28 participate in the program.

29 (2) The department, with due regard for the possibility of losses and administrative costs,  
30 shall set fees and other terms at levels sufficient to reasonably ensure that the program is  
31 self-financing.

32 **SECTION 5.** (1) There is established in the State Treasury, separate and distinct from the  
33 General Fund, the Charge Ahead Oregon Credit Enhancement Program Fund. All moneys in  
34 the fund are continuously appropriated to the Oregon Business Development Department for  
35 the following purposes:

36 (a) Payment of claims pursuant to contracts for loan or credit guarantees under sections  
37 1 to 6 of this 2015 Act.

38 (b) Payment of administrative costs of the department for actual and necessary admin-  
39 istrative expenses incurred by the department in administering the fund and establishing and  
40 maintaining the Charge Ahead Oregon Credit Enhancement Program established under sec-  
41 tion 3 of this 2015 Act.

42 (c) Repayment of transfers of funds required or authorized by law.

43 (d) Purchase or buyout of superior or prior liens, mortgages or security interests.

44 (2) Moneys in the Charge Ahead Oregon Credit Enhancement Program Fund shall consist  
45 of:

1 (a) Moneys appropriated to the fund by the Legislative Assembly.

2 (b) Proceeds from collateral assigned to the department.

3 (c) Interest earned on moneys in the fund.

4 (d) Transfers of moneys to the fund.

5 (e) Fees assessed for guarantees, as determined by the department.

6 (f) Moneys from gifts or donations.

7 (g) Moneys from any grant made to the fund by any federal agency.

8 **SECTION 6.** (1) The Oregon Business Development Department is authorized to pledge  
9 up to \$\_\_\_\_\_ to ensure the repayment of loan guarantees or other extensions of credit  
10 made to or on behalf of qualified applicants for the lease or purchase of zero-emission and  
11 near-zero-emission vehicles.

12 (2) If the balance in the Charge Ahead Oregon Credit Enhancement Program Fund is  
13 insufficient to cover any claims by financial institutions that arise from loan and credit  
14 guarantees made under sections 1 to 6 of this 2015 Act, the department may transfer moneys  
15 credited to the Strategic Reserve Fund created under ORS 285B.266 to the Charge Ahead  
16 Oregon Credit Enhancement Program Fund established in section 5 of this 2015 Act, to be  
17 used for the purposes set forth in that section.

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