

**REVENUE IMPACT OF
PROPOSED LEGISLATION
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office**

**Bill Number: HB 3386 - A
Revenue Area: Fuel Taxes
Economist: Mazen Malik
Date: 04-18-2016**

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

Measure Description:

Requires Environmental Quality Commission to adopt by rule program for facilitating compliance with low carbon fuel standards.

Revenue Impact (in \$Millions):

This statement is issued to facilitate the referral of this measure to the Committee on Rules.

Impact Explanation:

Requires Environmental Quality Commission to adopt program to facilitate compliance with low carbon fuel standard which includes provisions for regulated parties to purchase compliance credits from compliance generators to demonstrate compliance with low carbon fuel standards. Prohibits compliance credits from being banked or traded. Requires nongovernmental entity to enter into an agreement with DEQ to participate as compliance credit generator. Requires compliance generator to offer unlimited quantity of compliance credits for \$75 per compliance credit; regularly provide EQC with timely and detailed information on the use of funds; include exofficio member designated by DEQ compliance credit generator's governing body and nominating committee; allow DEQ to inspect financial records related to use of funds; arrange audit during term of agreement; and establishes requirements for disclosure of economic and conflicts of interest. Requires funds to be used from the transfer of credits for: providing grants to Oregon post-secondary institutions to research low carbon intensity transportation technology within partnerships with manufacturers; revolving loan fund for manufacture of products in Oregon that will reduce transportation related greenhouse gas emissions; grants to school districts that do not provide student transportation on school buses (801.460) for costs incurred to provide transportation; or rebate program to provide rebates to low income persons to purchase alternative fuel or zero-emission vehicles. Requires DEQ to report to Legislative Assembly, on or before February 1 of each year.

Further Analysis Required

Creates, Extends, or Expands Tax Expenditure: Yes No