

**FISCAL IMPACT OF PROPOSED LEGISLATION**

80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office

**Measure: SB 1051 - 2**

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

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**Measure Description:**

Establishes, if House Bill 2020 becomes law, credit available to eligible persons for purpose of mitigating carbon price indirectly paid through purchase of fuel to propel eligible motor vehicles on public highways.

**Government Unit(s) Affected:**

Department of Revenue (DOR), Oregon Department of Transportation (ODOT), Department of Forestry (ODF), Department of Justice (DOJ)

**Analysis:**

This fiscal impact statement is for the purpose of transmitting the measure from the Joint Committee on Carbon Reduction to the Joint Committee on Ways and Means.

The legislation directs that, no later than August 15 of each year, beginning in the year that a cap and trade program becomes operative (HB 2020), the Department of Transportation (ODOT), in consultation with the Climate Policy Office, must prepare or contract with a third-party to prepare an annual estimate for each county which will include the following: median household vehicle miles traveled; median gallons of fuel used by a vehicle when traveling the median miles traveled; and a per-gallon carbon price. Using the estimates, ODOT is directed to develop a schedule of the annual credit amounts available to eligible households and notify the Department of Revenue (DOR), no later than August 15 of each year, the credit amounts available to eligible households. The DOR must provide a means on the personal tax return for an individual to apply for the credit, and DOR may reject or approve an application for a credit. Credits are paid from the Climate Action Reimbursement Fund which will receive a transfer of 30% of the monies deposited in the Transportation Decarbonization Investments Account; and transfer of an unspecified amount must be sent to the Farm and Forest Climate Action Reimbursement Fund to pay refunds to farmers, and loggers under public contract. The bill does not take effect unless HB 2020 (2019) becomes law.

A fiscal impact is anticipated to ODOT associated with hiring a third-party to prepare annual county mileage and fuel usage data, as well as DOR staff workload an IT database development costs associated with the creation of this tax credit program. Furthermore, there may be a fiscal impact to the Department of Justice related to contested case proceedings for persons with a rejected tax credit. A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint committee on Ways and Means.

Further Analysis Required