

**HB 2020**

**Relating to greenhouse gas emissions**

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HB 2020 directs the Department of Administrative Services to establish a Climate Policy Office and creates the Climate Action Program to reduce greenhouse gas emission levels in Oregon to at least 45% below 1990 emissions levels by 2035, and to at least 80% below 1990 emissions levels by 2050.

Auction proceeds from the sale of allowances are credited to the Auction Proceeds Distribution Fund which are then distributed to the Transportation Decarbonization Investment Account, the Common School Fund, the Oregon Climate Action Program Operating Fund, and the Climate Investments Fund

Monies in the Transportation Decarbonization Investment Account are credited to the Department of Transportation for a 50/50 distribution of funds, half to projects selected by the Oregon Transportation Commission and the other half to provide grants for cities, counties, and metropolitan transportation projects.

The Oregon Climate Action Program Operating Fund supports the CPO's administration of the program.

10% of the monies in the Climate Investments Fund are allocated for uses that directly benefit eligible Indian tribes, 40% for uses that benefit impacted communities, 20% for uses that benefit natural and working lands, no more than 1% to provide technical assistance to applicants of the aforementioned distributions, and \$10 million for deposit in the Just Transition Fund which is continuously appropriated to the Higher Education

Coordinating Commission to support economic diversification, job creation, job training, and other employment services. The Just Transition Fund also includes a reserve account for monies from the Legislative Assembly. Monies in the reserve account may be used only to provide financial support for workers dislocated or adversely affected by climate change or climate change policies.

The bill has a direct fiscal impact in the 2019-21 biennium to eight state agencies for a total of \$17.1 million General Fund, \$250,000 Lottery Funds, and \$6.4 million Other Fund, which includes 68 positions and 54.30 FTE. Additionally, the bill is anticipated to have a minimal fiscal impact to a variety of other state agencies.

The Natural Resources Subcommittee recommends HB 2020 be amended by the –A116 amendment and be reported out do pass, as amended.