

HB 2129 A STAFF MEASURE SUMMARY

Joint Committee On Transportation

Action Date: 05/06/19

Action: Do pass with amendments and be referred to Revenue by prior reference. (Printed A-Eng.)

House Vote

Yeas: 6 - Evans, Findley, Lewis, McKeown, McLain, Noble

Exc: 1 - Witt

Senate Vote

Yeas: 3 - Beyer, Frederick, Gelser

Exc: 2 - Bentz, Boquist

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 3/25, 5/6

WHAT THE MEASURE DOES:

Extends and creates sunsets for certain transportation-related expenditures. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Growth of biodiesel industry
- Types of diesel fuel
- Revenue impact of measure
- Scope of special use fuel emblem program

EFFECT OF AMENDMENT:

Deletes provisions related to biodiesel.

BACKGROUND:

In Oregon, fuels are divided into two categories: motor vehicle fuels, such as gasoline, gasoline blends, and aviation and jet fuel; and use fuels, such as diesel, biodiesel, propane, compressed natural gas, or any other fuel used to propel a vehicle that is not a motor vehicle fuel. Vehicles that operate on use fuels may utilize a special emblem to notify retail sellers that the vehicle owner remits use fuel taxes directly to the state, rather than paying a tax directly at the retail location.

Use fuel rates are set to approximate the equivalent current gasoline tax rate of \$0.34 per gallon. For propane and natural gas dispensed into motor vehicles as fuel, they are taxed as follows: for propane, the number of taxable gallons is divided by 1.3 prior to applying the \$0.34/gallon tax; for natural gas, taxable gallons are divided by 1.2 before calculation.

HB 2129-A designates a sunset for tax expenditures for use fuel emblems and for vehicle dealer exemption from weight mile taxes until January 1, 2026.