

HB 3425 A STAFF MEASURE SUMMARY

Joint Committee On Carbon Reduction

Action Date: 05/10/19

Action: Without recommendation as to passage, with amendments, and be referred to Revenue by prior reference. (Printed A-Eng.)

House Vote

Yeas: 7 - Bonham, Boshart Davis, Helm, Lively, Marsh, Power, Smith DB

Senate Vote

Yeas: 4 - Beyer, Dembrow, Golden, Taylor

Abs: 3 - Bentz, Girod, Olsen

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 4/15, 5/10

WHAT THE MEASURE DOES:

Requires Department of Transportation (ODOT) to prepare an annual estimate for each county of the median vehicle miles traveled per county; the median number of gallons of fuel used by eligible motor vehicle travelling the median miles travelled; and the price per-gallon carbon price; no later than November 30 of each year, beginning the year that a cap and trade program becomes operative. Requires ODOT to take certain factors into account when preparing the estimate. Authorizes ODOT to contract with independent third-party to assist in preparing estimates. Requires ODOT to use the estimates to prepare a schedule that lists the annual per capita credit amount available to each eligible person for each county. Outlines process for computing per capita credit amount. Requires no later than August 15th of each year, ODOT to notify the Department of Revenue (DOR) of the required estimates and the annual per capita credit amount available to eligible person. Authorizes ODOT to adopt rules. Authorizes, if Oregon adopts a cap and trade program, an eligible person to apply for a credit equal to the annual per credit amount for the county they are located in. Requires DOR to provide a means to apply for the credit on the personal income tax return, or other form for eligible people not required to file a personal income tax return. Requires eligible person to make certain information available. The credit amount must equal two times the amount of the per capita credit if claimed on a joint return; or the amount of the per capita credit for all other types of tax returns. Prohibits twice the per capita credit amount on the basis of one return regardless of the number of registered eligible vehicles registered to the eligible person. Directs amounts authorized from Act to be credited out of the Climate Action Reimbursement Fund (Fund). Establishes the Fund and continuously appropriates moneys to DOR to issue credits. Requires ODOT to transfer 30 percent of the moneys deposited into the Transportation Decarbonization Investments Fund to the Fund. Stipulates Act does not take effect unless House Bill 2020 becomes law.

ISSUES DISCUSSED:

- Connection to House Bill 2020 (2019)
- Differences by county of median miles travelled
- Credit would mitigate impact on fuel prices of cap and trade program for people whose income is 250 percent of the federal poverty guidelines based on household size and members

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The 2019 legislature is currently considering House Bill 2020, which proposes a statewide cap and trade program designed to reduce greenhouse gas emissions. If a cap and trade program becomes law in Oregon, House Bill 3425 would require the transfer of 30 percent of the moneys deposited into the Transportation Decarbonization Investments Fund to the Climate Action Reimbursement Fund to provide a credit to eligible households to mitigate the price of carbon indirectly paid by households through the purchase of motor vehicle fuel.