

SB 1051 A STAFF MEASURE SUMMARY**Joint Committee On Carbon Reduction****Action Date:** 05/31/19**Action:** Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)**Senate Vote****Yeas:** 4 - Beyer, Dembrow, Golden, Taylor**Nays:** 2 - Bentz, Girod**Exc:** 1 - Olsen**House Vote****Yeas:** 7 - Bonham, Boshart Davis, Helm, Lively, Marsh, Power, Smith DB**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Beth Reiley, LPRO Analyst**Meeting Dates:** 5/31**WHAT THE MEASURE DOES:**

Requires, no later than August 15th of each year, the Department of Transportation (ODOT), in consultation with Climate Policy Office (CPO), to prepare an annual estimate for each county of: the median vehicle miles travelled for the county; the median number of gallons of fuel used by eligible motor vehicle in travelling the median vehicle miles for the county; and the per-gallon carbon price. Requires the annual estimate to be expressed in a positive amount of dollars per gallon of fuel. 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. Provides for computation of annual per capita credit amount available. Requires no later than August 15th of each year, ODOT to notify the Department of Revenue (DOR), for each county for the immediately preceding fiscal year the required estimates and the annual per capita credit amount available to eligible person. Authorizes ODOT to adopt rules. Authorizes an eligible person to apply for a credit equal to the annual per credit amount for the county they reside in as of December 31 of the year that the credit is applied. Requires DOR to provide a means to apply for the credit on the personal income tax return for the tax years beginning on or after January 1, 2021, or other form for eligible people not required to file a personal income tax return. Requires eligible person to provide certain information to ODOT. Requires the credit amount to 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 based on 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 consists of moneys transferred from the Transportation Decarbonization Investments Fund and continuously appropriates moneys to DOR to issue credits. Authorizes certain persons for purposes related to certain farming or forest products to apply to ODOT for a refund equal to the number of gallons of fuel used per year multiplied by the per-gallon carbon price. Requires refund application to be in form prescribed by ODOT and must include signed statement under penalties of false swearing that sets forth the number of gallons of fuel proposed for the refund. Requires application to be filed with ODOT within 15 months of the date of purchase of fuel. Authorizes ODOT to investigate the refund application including examining relevant records to establish validity of the application. Stipulates if applicant does not allow ODOT to examine records the applicant waives the right to the refund. Requires ODOT to reject or approve refund application. Stipulates if application is approved ODOT must notify and issue refund. Authorizes applicant to appeal rejected application. Requires ODOT to pay refunds out of the Farm and Forest Climate Action Reimbursement Fund. Authorizes ODOT to adopt rules.

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Establishes the Farm and Forest Climate Action Reimbursement Fund. Moneys in the fund are continuously appropriated to ODOT to issue refunds and to pay the administrative expenses in connection with refund. Requires the Farm and Forest Climate Action Reimbursement Fund to consist of funds transferred from the Transportation Decarbonization Investments Fund, the Climate Investments Fund, funds appropriated by the Legislature, and moneys deposited from any other source. Requires that if House Bill 2020 becomes law, ODOT must first transfer 30 percent of the Transportation Decarbonization Investments Fund to the Climate Action Reimbursement Fund and second use the transfer the amount to the Farm and Forest Climate Action Reimbursement Fund as necessary to pay the refunds authorized for which moneys in the Transportation Decarbonization Investments Account may be constitutionally used. Requires that if House Bill 2020 becomes law, an amount shall be allocated from the Climate Investments Fund for deposit in the Farm and Forest Climate Action Reimbursement Fund as necessary to pay for refunds that may not be paid with moneys deposited in the Transportation Decarbonization Investments Account. Stipulates that certain provisions of Act related to the establishment of the refunds become operative January 1, 2021, but ODOT and DOR are authorized to adopt rules or take action prior to operative date. Act does not take effect until after House Bill 2020 becomes law. Stipulates that if House Bill 2020 becomes law, the Act becomes effective on the later of the 91st day after sine die or the effective date of House Bill 2020.

ISSUES DISCUSSED:

- Application of other programs
- What activities constitute farming operations

EFFECT OF AMENDMENT:

Replaces 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, Senate Bill 1051A would require the creation of a credit available to eligible persons, meeting certain income requirements, for the purpose of mitigating the carbon price indirectly paid through purchase of fuel to propel an eligible motor vehicle and a refund available to certain persons for the purpose of mitigating the carbon price indirectly paid through the purchase of fuel for certain farming and forestry activities.