

SB 1578 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 2/13, 2/14

WHAT THE MEASURE DOES:

Establishes, if Senate Bill 1530 becomes law, credit available to eligible persons residing in regulated areas for purpose of mitigating carbon price indirectly paid through purchase of fuel to propel eligible motor vehicles on public highways. Establishes, if Senate Bill 1530 becomes law, refund available to certain persons for purpose of mitigating carbon price indirectly paid through purchase of fuel in regulated areas used to propel motor vehicles, for certain farming and forestry activities. Becomes operative January 1, 2022. Takes effect only if Senate Bill 1530 becomes law. If Senate Bill 1530 becomes law, takes effect on 91st day following adjournment sine die or on effective date of chapter ____, Oregon Laws 2020 (Enrolled Senate Bill 1530), whichever is later.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The 2020 legislature is currently considering Senate Bill 1530, 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 1578 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. The funding for the low income (250% of the federal poverty guidelines) credit program is administered by DOR through the "Climate Action Reimbursement Fund"(CARF). CARF funds comes from 30% transfer of revenues from the "Transportation Decarbonization Investment Account"(TDIA) established under section 34 of SB 1530. The farm and Forest refund program is administered by ODOT using the "Farm and Forest Climate Action Reimbursement Fund" (FFCARF). FFCARF is funded through a transfer of amounts needed from both the Transportation Decarbonization Investment Account for fuel (highway) eligible expenditures, and the rest from the Climate Investment Fund (CIF) established under section 39 of SB 1530.