

**SB 1530**

**Relating to greenhouse gas emissions**

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SB 1530 establishes the Oregon Greenhouse Gas Reduction Board and the Office of Greenhouse Gas Regulation within the Department of Environmental Quality and directs the Board and the Office to implement the Oregon Greenhouse Gas Initiative program.

Auction proceeds from the sale of allowances are credited to the Auction Proceeds Distribution Fund, which are then distributed to the Transportation Decarbonization Investments Account, the Common School Fund, the Oregon Greenhouse Gas Initiative Operating Fund, and the Climate Investments Fund.

Monies in the Transportation Decarbonization Investments Account are credited to the Department of Transportation, with 10% for transportation projects and 90% to local governments for planning and implementation of metropolitan climate plans.

The Oregon Greenhouse Gas Initiative Operating Fund supports DEQ's administration of the program.

10% of the monies in the Climate Investment Fund are allocated for uses that directly benefit eligible Indian tribes, 25% for uses that benefit natural and working lands, 25% for wildfire mitigation, 20% to local governments for uses that prioritize greenhouse gas reduction, 20% to state agencies for uses that prioritize greenhouse gas reduction, and \$10 million for deposit in the Just Transition Fund 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 displaced or adversely affected by climate change or climate change policies.

The bill has a direct fiscal impact in the 2019-21 biennium to 11 state agencies for a total of \$19.9 million General Fund and \$2.9 million Other Funds, which includes 50 positions and 26.71 FTE. The General Fund total includes \$10 million for the Revolving Loan Fund administered by the Oregon Business Development Department. Of the remaining General Fund, \$8.9 million is appropriated to the Department of Environmental Quality for implementation of the program, including 31 positions and 17.33 FTE.

The Natural Resources Subcommittee recommends SB 1530 be amended by the –A62 amendment and be reported out do pass, as amended.