House Bill 2184
Sponsored by Representative WILDE (Presession filed.)

SUMMARY
The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Directs Department of Environmental Quality to provide interest-free loans to school districts, mass transit districts and transportation districts for purchase of electric buses and charging infrastructure for electric buses.

Authorizes issuance of revenue bonds to finance loan program.

A BILL FOR AN ACT
Relating to electric buses.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Department of Environmental Quality shall provide loans, out of the Electric Bus Bond Fund established under section 4 of this 2021 Act, to qualified recipients for the payment of costs related to:

(a) Purchase of electric buses; or
(b) Installation of electric charging infrastructure for electric bus fleets.

(2) A loan provided under this section may not carry interest.

(3) The department shall determine the amount of a loan under this section. The amount of a loan for the purchase of an electric bus may not exceed the difference in cost between the purchase of an electric bus and the purchase of a diesel-powered bus.

(4) Before issuing a loan under this section, the department shall enter into a loan agreement with the qualified recipient that meets the following requirements:

(a) The agreement must provide that the qualified recipient may use loan amounts only for purposes specified in the agreement and permissible under this section, and will refund any excess amounts to the department.
(b) The agreement must specify the amount of the payments due under subsection (5) of this section and must obligate the qualified recipient to make such payments.

(5) On an annual basis, each qualified recipient shall remit to the department, for each electric bus purchased with loans provided under this section, an amount equal to the difference of the annual cost of operating a diesel-powered bus and the annual cost of operating an electric bus, as determined by the department. Payments under this section are due until the full loan amount is repaid.

(6) The department shall deposit amounts received under subsection (5) of this section into the Electric Bus Bond Debt Service Fund established under section 5 of this 2021 Act.

(7) The department shall adopt rules necessary to carry out the provisions of this section.

(8) As used in this section, “qualified recipient” means:

(a) A school district, as defined in ORS 330.005;

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

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(b) An education service district, as defined in ORS 334.003;
(c) A mass transit district established under ORS 267.010 to 267.394; or
(d) A transportation district established under ORS 267.510 to 267.650.

SECTION 2. As used in section 2 to 6 of this 2021 Act, “bond-related costs” means:

(1) The costs and expenses of issuing and administering bonds under sections 2 to 6 of this 2021 Act, including but not limited to:
   (a) Paying or redeeming the bonds, including principal, interest and premium, if any;
   (b) Paying amounts due in connection with credit enhancement devices or reserve instruments;
   (c) Paying the administrative costs and expenses of the State Treasurer or the Department of Environmental Quality, including the cost of consultants, attorneys and advisers retained by the State Treasurer or the department for the bonds; and
   (d) Any other costs or expenses that the State Treasurer or the department determines are necessary or desirable in connection with issuing or administering the bonds;

(2) The cost of funding bond reserves;

(3) Capitalized interest for the bonds; and

(4) Rebates or penalties due to the United States in connection with the bonds.

SECTION 3. (1) The State Treasurer may issue revenue bonds subject to the budget authorization for bond issuance established under ORS 286A.035 for the Department of Environmental Quality for the purpose of financing or refinancing, in whole or part, loans made under section 1 of this 2021 Act, plus an additional amount to be estimated by the State Treasurer for payment of bond-related costs.

(2) Net proceeds of the revenue bonds issued pursuant to this section must be deposited in the Electric Bus Bond Fund established under section 4 of this 2021 Act for disbursement to the department to finance loans under section 1 of this 2021 Act.

(3) Bond-related costs must be paid from the gross proceeds of the revenue bonds issued under this section and from moneys deposited in the Electric Bus Bond Debt Service Fund established under section 5 of this 2021 Act.

(4) The department, with the approval of the State Treasurer, may irrevocably pledge and assign all or a portion of the moneys deposited in the Electric Bus Bond Debt Service Fund for the purpose of securing revenue bonds issued under this section or credit enhancements obtained for the revenue bonds issued under this section.

(5) Revenue bonds issued under this section:
   (a) Are payable from the moneys deposited in the Electric Bus Bond Debt Service Fund; and
   (b) Do not constitute a debt or general obligation of the state, the Legislative Assembly or a political subdivision of this state but are secured solely by:
      (A) The moneys deposited in the Electric Bus Bond Debt Service Fund;
      (B) Amounts in a debt service reserve account established with respect to revenue bonds issued under this section; or
      (C) A credit enhancement obtained for the revenue bonds issued under this section.

(6) The State Treasurer and the department have no obligation to pay bond-related costs except as provided in this section. A holder of revenue bonds or other similar obligations issued under this section does not have the right to compel the exercise of the taxing power of the state to pay bond-related costs.
(7) The holders of revenue bonds issued under this section, upon the issuance of the revenue bonds, have a perfected lien on the moneys deposited in the Electric Bus Bond Debt Service Fund that are pledged and assigned to the payment of the revenue bonds. The lien and pledge are valid and binding from the date of issuance of the revenue bonds and are automatically perfected without physical delivery, filing or other act. The lien and pledge are superior to subsequent claims or liens on the moneys deposited in the fund.

(8) As long as any revenue bonds issued under this section are outstanding, the provisions of this section and the provisions of a security document related to the revenue bonds are deemed to be contracts between the state and holders of the revenue bonds. The state:
   (a) May not create a lien, encumbrance or any other obligation that is superior to the liens authorized by subsection (7) of this section on the moneys in the Electric Bus Bond Debt Service Fund that are pledged and assigned to the payment of the revenue bonds; and
   (b) May not give force or effect to a statute or initiative or referendum measure approved by the electors of this state if doing so would unconstitutionally impair existing covenants made with the holders of existing revenue bonds or would unconstitutionally impair other obligations or agreements regarding the security of revenue bonds to which the moneys deposited in the Electric Bus Bond Debt Service Fund are pledged and assigned.

SECTION 4. (1) The Electric Bus Bond Fund is established in the State Treasury, separate and distinct from the General Fund. The net proceeds from the sale of revenue bonds issued under section 3 of this 2021 Act must be credited to the Electric Bus Bond Fund. Investment earnings received on moneys in the fund must be credited to the fund.

(2) Moneys in the fund are continuously appropriated to the Department of Environmental Quality for the purpose of making loans under section 1 of this 2021 Act.

SECTION 5. (1) The Electric Bus Bond Debt Service Fund is established in the State Treasury, separate and distinct from the General Fund. The Electric Bus Bond Debt Service Fund consists of:
   (a) Moneys deposited in the fund under section 1 of this 2021 Act;
   (b) Any moneys appropriated or allocated to the fund; and
   (c) Investment earnings received on moneys in the fund.

(2) Moneys in the fund are continuously appropriated to the Department of Environmental Quality to pay, when due, the bond-related costs on outstanding revenue bonds, to fund revenue bond reserves and to pay amounts due in connection with credit enhancements.

(3) The department, in consultation with the State Treasurer, shall use amounts in the fund to pay, when due, the bond-related costs on outstanding revenue bonds, to fund revenue bond reserves and to pay amounts due in connection with credit enhancements.

(4) If the moneys deposited in the fund are not sufficient to pay the bond-related costs due to be paid in a fiscal year, the department, in consultation with the State Treasurer, shall make payments in that fiscal year according to the relative priority of revenue bonds secured by the moneys deposited in the fund.

SECTION 6. (1) The Electric Bus Bond Administration Fund is established in the State Treasury, separate and distinct from the General Fund. The Electric Bus Bond Administration Fund consists of:
   (a) The amount of revenue bond proceeds remaining after depositing the net proceeds in the Electric Bus Bond Fund;
   (b) The proceeds of revenue bonds issued to pay bond-related costs;
(c) Any moneys appropriated or allocated to the Electric Bus Bond Administration Fund;
and
(d) Investment earnings received on moneys in the fund.
(2) Moneys in the fund are continuously appropriated to the Department of Environmental Quality to pay bond-related costs during the term of revenue bonds issued under section 3 of this 2021 Act.
(3) The department, in consultation with the State Treasurer, may use amounts in the Electric Bus Bond Administration Fund to pay bond-related costs during the term of revenue bonds issued under section 3 of this 2021 Act. Amounts in the fund must be disbursed upon the written request of the department.