

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2614 - 3

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date: March 31, 2023

Measure Description:

Requires transportation network companies to meet or exceed specified targets for percentage of service miles provided by zero-emission vehicles.

Government Unit(s) Affected:

Department of Environmental Quality, Department of Transportation, Judicial Department

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Department of Environmental Quality		
General Fund		
Personal Services	\$423,567	\$232,440
Services and Supplies	\$92,376	\$63,500
Total General Fund	\$515,943	\$295,940
Total Fiscal Impact	\$515,943	\$295,940
<i>Total Positions</i>	2	1
<i>Total FTE</i>	1.76	1.00

Analysis:

HB 2614 - 3 requires transportation network companies to report to the Department of Environmental Quality (DEQ) on the total number of passenger miles driven in Oregon by transportation network company vehicles and zero-emission transportation network company vehicles by April 1 of each year. The measure outlines targets that transportation network companies should meet or exceed for the percentage of passenger miles driven by zero emission vehicles each year, starting in 2024. DEQ is to conduct a feasibility review of the targets under certain circumstances and modify or delay the targets if needed. By January 1, 2031, all passenger miles must be driven by zero emission vehicles.

The measure establishes the Rideshare Electrification Fund with moneys continuously appropriated to DEQ, with up to 10% of funds used for administration of this measure. Of the remaining amounts after administrative costs, 60% is to be transferred to the Zero-Emission Incentive Fund and 40% to the Rideshare Charging Fund. A civil penalty of \$0.50 per passenger mile that did not meet the targets for zero-emission vehicle passenger miles is to be deposited in the fund.

This measure also establishes the Rideshare Charging Fund, with moneys continuously appropriated to the Oregon Department of Transportation (ODOT) to provide grants, loans, or other financial incentives, with money evenly allocated between projects related to electric vehicle charging stations at or near multifamily dwellings in which transportation network company drivers reside; and work related to, or purchase of, level 2 electric vehicle charging stations at single-family dwellings in which transportation network company drivers reside.

The measure also allows DEQ to impose a limit on the number of rebates available to an organization; and allocates at least 67% of moneys transferred to the Zero-Emission Incentive Fund from the Rideshare Electrification Fund to rebates under the existing Charge Ahead Oregon Program.

The measure takes effect on the 91st day after the Legislature adjourns sine die.

Unless an additional source of funding is provided for the Rideshare Electrification Fund or Rideshare Charging Fund, most of the costs incurred by DEQ and ODOT will be dependent on the timing for civil penalty revenue. It is unclear when civil penalty revenue might begin to be received under this measure. If reports are due April 1 of each year, DEQ will not be able to determine compliance with the targets set under this measure until April 1, 2025 for calendar year 2024, and believes that it is likely that most companies will be able to meet the 5% target for percentage of passenger miles driven by zero-emission vehicles each year for 2024. If this is true, the earliest that civil penalty revenue will be received is 2026 or 2027, once companies report on compliance for calendar year 2025. As a result of this uncertainty, any payments from the Rideshare Electrification Fund are not reflected in the table above, and DEQ and ODOT will need to seek additional Other Funds expenditure limitation in the 2025-27 biennium once this funding is available.

Department of Environmental Quality

DEQ anticipates costs totaling \$515,943 General Fund in the 2023-25 biennium, and \$295,940 General Fund in the 2025-27 biennium, which includes personal services, position-related services and supplies, and an estimated \$25,000 each biennium for legal costs.

The agency would hire one permanent, full-time Operations and Policy Analyst 3 (0.88 FTE in 2023-25 and 1.00 FTE in 2025-27) to conduct rulemaking, establish a reporting framework, receive reports and track compliance. Additionally, this position would be responsible for managing the Rideshare Electrification Fund. DEQ will also hire a limited duration full-time Environmental Law Specialist (0.88 in 2023-25) to assist with rulemaking, enforcement actions, and any contested case work.

Since it is not clear when civil penalty revenue would be received under this measure, and absent any other identified revenue source, this fiscal impact statement assumes that positions will be funded with General Fund for the 2023-25 and 2025-27 biennium, but that General Fund for the program will be phased out when sufficient civil penalty revenue is received to support program administration.

Oregon Department of Transportation

ODOT will need to request additional position authority and expenditure limitation through the Legislative Emergency Board or the regular budget process, once the agency knows how much funding will be disbursed to the Rideshare Charging Fund, and when funding will be received. ODOT anticipates needing additional staff approximately six to nine months before first receiving civil penalty funds, in order to set up the programs funded by the Rideshare Charging Fund. Given the estimated timing for potential civil penalty revenue, ODOT may need to establish a position sometime in 2026.

ODOT notes that the agency administers a Community Charging Rebate program which provides rebates for installation of level 2 charging stations, and that any costs of administration could be eliminated by providing additional funding for this program in lieu of establishing a new program.

Oregon Judicial Department

There is minimal fiscal impact for Oregon Judicial Department.