

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 3550**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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**Measure Description:**

Requires state agency that purchases or leases light-duty vehicle on and after January 1, 2025, to purchase only zero-emission vehicle unless state agency finds that zero-emission vehicle is not feasible for specific use state agency has for light-duty vehicle.

**Government Unit(s) Affected:**

Department of Administrative Services, Department of Energy, Department of Environmental Quality, Statewide

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate but anticipated to be minimal at this time - See explanatory analysis.

**Analysis:**

HB 3550 directs the Department of Administrative Services (DAS), to the maximum extent economically feasible, to use biofuel or electricity generated from biofuel in facilities and machinery utilized by the Department. The measure also amends ORS 283.327 and Oregon Laws related to this statute, requiring that on and after January 1, 2025, state agencies must purchase or lease only light-duty zero-emission vehicles. If a zero-emission vehicle is not feasible, the agency may purchase or lease a light-duty vehicle that operates with alternative fuel, or qualifies as a low-emission vehicle under a written policy adopted by DAS in consultation with the Department of Environmental Quality.

There is an indeterminate impact from this measure. Current Oregon Laws already requires that all new state agency vehicle purchases and leases be zero-emission vehicles where feasible, so the fiscal impact of transitioning to zero-emission vehicles is not contemplated in this fiscal impact statement, and it is assumed that agencies will work within their existing budget to transition to zero-emission vehicles and to buildout charging infrastructure. The feasibility of moving to zero-emission vehicles will depend on numerous factors including the availability vehicles for purchase/lease as well as funding to invest in both vehicles and charging stations.

However, current statute and laws specifically exempt police vehicles, fire vehicles, and various types of trucks from the definition of "light-duty vehicle" and therefore from the requirement to transition to zero-emission vehicles. Under this measure, statute and law will be changed to only provide exemptions for these vehicles if they can operate with an alternative fuel or qualify as a low-emission vehicle under the DAS written policy. While it is assumed that the DAS policy will take into account specific fleet needs, there could be a greater than minimal impact for agencies such as the Department of the State Fire Marshal, Oregon State Police, and other agencies that operate in remote areas or may have specific vehicle needs.