

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 3425

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

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Measure Description:

Establishes, if State of Oregon adopts cap and trade program, credit available to certain households for purpose of mitigating carbon price indirectly paid by households through purchase of motor vehicle fuel to propel motor vehicles on public highways.

Government Unit(s) Affected:

Department of Revenue (DOR), Housing and Community Services Department (HCSD), Oregon Department of Transportation (ODOT)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Joint Committee on Carbon Reduction to the House Committee on Revenue.

The legislation dictates that in the year that a cap and trade program becomes operative, the Department of Transportation (ODOT), in consultation with the state agency charged with implementing the program, must prepare an annual estimate which will include the following: of median household vehicle miles traveled per region of the state; median gallons of fuel used by a vehicle when traveling the median miles traveled per region; and a per-gallon carbon price. Using the estimates, ODOT is directed to develop a schedule of the annual credit amounts available to eligible households and notify the Department of Revenue (DOR), no later than January 15 of each year, the credit amounts available to eligible households per region. The DOR must provide a means on the personal tax return for an individual to apply for the credit, and DOR may reject or approve an application for a credit. DOR and ODOT must develop and implement outreach efforts to encourage individuals to apply for the credit. If the state adopts a cap and trade program, credits are paid from the Climate Action Reimbursement Fund which will receive a transfer of \$100 million of the monies that are proceeds received by the state through the sale of allowances at auctions.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the House Committee on Revenue.

Further Analysis Required