HB 3062-2 (LC 3972) 3/21/19 (ASD/ps)

Requested by Representative HELM

## PROPOSED AMENDMENTS TO HOUSE BILL 3062

In line 2 of the printed bill, delete "amending" and insert "creating new provisions; amending ORS 319.530 and".

3 Delete lines 5 through 12 and insert:

4 **"SECTION 1.** ORS 319.530 is amended to read:

"319.530. (1) To compensate this state partially for the use of its highways,
an excise tax hereby is imposed at the rate of 34 cents per gallon on the use
of fuel in a motor vehicle.

8 "(2) Except as otherwise provided in subsections (3) and (4) of this sec-9 tion, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 10 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at 11 the same rate as a gallon of liquid fuel.

"(3) One hundred twenty cubic feet of compressed natural gas used or sold
in a gaseous state, measured at 14.73 pounds per square inch of pressure at
60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.
"(4) One and three-tenths liquid gallons of propane at 60 degrees
Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

"(5)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed under subsection (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent biodiesel that [*is derived from used cooking oil*] has a carbon intensity of 20 or below, as approved by the Department of Environmental Quality pursuant to rules adopted by

## 1 the Environmental Quality Commission under ORS 468A.265 to 2 468A.277.

"(b) The exemption provided under paragraph (a) of this subsection does
not apply to fuel:

5 "(A) Used in motor vehicles that have a gross vehicle weight rating of 6 26,001 pounds or more;

7 "(B) That is not sold in retail operations; or

8 "(C) That is sold in operations involving fleet fueling or bulk sales.

9 "(6) The amount of the exemption granted to fuel described in sub10 section (5)(a) of this section shall be:

11 "(a) For the calendar year beginning on January 1, 2019, 100 percent.

12 "(b) For the calendar year beginning on January 1, 2020, 90 percent.

13 "(c) For the calendar year beginning on January 1, 2021, 80 percent.

<sup>14</sup> "(d) For the calendar year beginning on January 1, 2022, 70 percent.

<sup>15</sup> "(e) For the calendar year beginning on January 1, 2023, 60 percent.

"SECTION 2. Section 2, chapter 648, Oregon Laws 2013, is amended to
 read:

"Sec. 2. The amendments to ORS 319.530 by section 1, [of this 2013 Act]
chapter 648, Oregon Laws 2013, apply to fuel sold on or after January 1,
2014, and before January 1, 2019.

"<u>SECTION 3.</u> The amendments to ORS 319.530 by section 1 of this
2019 Act apply to fuel sold on or after January 1, 2019, and before
January 1, 2024.

<sup>24</sup> "<u>SECTION 4.</u> ORS 319.530, as amended by section 1 of this 2019 Act, is <sup>25</sup> amended to read:

"319.530. (1) To compensate this state partially for the use of its highways,
an excise tax hereby is imposed at the rate of 34 cents per gallon on the use
of fuel in a motor vehicle.

29 "(2) Except as otherwise provided in subsections (3) and (4) of this sec-30 tion, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at
the same rate as a gallon of liquid fuel.

"(3) One hundred twenty cubic feet of compressed natural gas used or sold
in a gaseous state, measured at 14.73 pounds per square inch of pressure at
60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.
"(4) One and three-tenths liquid gallons of propane at 60 degrees
Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

8 "[(5)(a) Except as provided in paragraph (b) of this subsection, the excise 9 tax imposed under subsection (1) of this section does not apply to diesel fuel 10 blended with a minimum of 20 percent biodiesel that has a carbon intensity 11 of 20 or below, as approved by the Department of Environmental Quality pur-12 suant to rules adopted by the Environmental Quality Commission under ORS 13 468A.265 to 468A.277.]

14 "[(b) The exemption provided under paragraph (a) of this subsection does 15 not apply to fuel:]

16 "[(A) Used in motor vehicles that have a gross vehicle weight rating of 17 26,001 pounds or more;]

18 "[(B) That is not sold in retail operations; or]

19 "[(C) That is sold in operations involving fleet fueling or bulk sales.]

20 "[(6) The amount of the exemption granted to fuel described in subsection 21 (5)(a) of this section shall be:]

<sup>22</sup> "[(a) For the calendar year beginning on January 1, 2019, 100 percent.]

23 "[(b) For the calendar year beginning on January 1, 2020, 90 percent.]

<sup>24</sup> "[(c) For the calendar year beginning on January 1, 2021, 80 percent.]

<sup>25</sup> "[(d) For the calendar year beginning on January 1, 2022, 70 percent.]

<sup>26</sup> "[(e) For the calendar year beginning on January 1, 2023, 60 percent.]

27 "<u>SECTION 5.</u> The amendments to ORS 319.530 by section 4 of this
28 2019 Act apply to fuel sold on or after January 1, 2024.

"<u>SECTION 6.</u> Section 4, chapter 648, Oregon Laws 2013, is amended to
 read:

HB 3062-2 3/21/19 Proposed Amendments to HB 3062 "Sec. 4. The amendments to ORS 319.530 by section 3, [of this 2013 Act]
chapter 648, Oregon Laws 2013, apply to fuel sold on or after January 1,
[2020] 2024.

<u>SECTION 7.</u> This 2019 Act takes effect on the 91st day after the
date on which the 2019 regular session of the Eightieth Legislative
Assembly adjourns sine die.".