

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 1578**80th Oregon Legislative Assembly – 2020 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***Prepared by: Tim Walker  
Reviewed by: John Borden, Gregory Jolivet  
Date: 02/17/2020**Measure Description:**

Establishes, if Senate Bill 1530 becomes law, credit available to eligible persons residing in regulated areas for purpose of mitigating carbon price indirectly paid through purchase of fuel to propel eligible motor vehicles on public highways.

**Government Unit(s) Affected:**

Department of Revenue (DOR), Department of Justice (DOJ), Oregon Department of Transportation (ODOT), Oregon Judicial Department, Cities, Counties

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

	<b>2019-21 Biennium</b>	<b>2021-23 Biennium</b>
Other Funds - ODOT	0	62,184,604
<b>Total Funds</b>	<b>\$0</b>	<b>\$62,184,604</b>
Positions	0	1
FTE	0.00	0.75

**Analysis:** The measure establishes a credit available to eligible persons residing in a regulated area for the purpose of mitigating carbon price indirectly paid through the purchase of fuel used in eligible motor vehicles on public highways and for vehicles used in certain farming and forestry activities. In addition, the bill establishes the Climate Action Reimbursement Fund to consist of funds transferred from the Transportation Decarbonization Investment Account (TDIA) established by SB 1530 and requires the Oregon Department of Transportation (ODOT) to transfer 30% of the funds in the TDIA to the Climate Action Reimbursement Fund (CARF). This fund will be used to provide a tax credit to eligible individuals in regulated areas. The bill also establishes the Farm and Forest Climate Action Reimbursement Fund (FFCARF) that will be funded by the TDIA for the purpose of providing a tax credit for fuel used in farm and forestry activities. The measure only takes effect if SB 1530 becomes law. The effective date of the bill is January 1, 2020.

**Oregon Department of Transportation**

The bill requires ODOT to calculate in each regulated area the median vehicle miles traveled and the median number of gallons of fuel used by eligible motor vehicles traveling the median miles for the regulated area. ODOT will also calculate the annual per capita credit amount available to each eligible person in the regulated area and notify the Department of Revenue (DOR) of these estimates. These calculations are similar to activities currently performed by the Fuels Tax Section of ODOT. ODOT will need one accounting position (0.75 FTE) to perform refund operations for the entities eligible under the FFCARF. ODOT will also need additional Other Funds Limitation, in the 2021-23 biennium, of \$60.0 million to transfer to DOR for the purposes of CARF. ODOT does not anticipate expending money in the 2019-21 biennium.

**Department of Revenue**

This bill will require DOR to develop forms, write rules, and programming for the GenTax system. These costs are expected to be minimal.

**Department of Justice**

The Department of Justice anticipates additional costs associated with an increase in litigation associated with the use of the funds and contested case hearings, but the total cost is indeterminate at this time. If necessary, DOJ will return to the Legislative Assembly for any budgetary adjustments.

**Oregon Judicial Department**

Oregon Judicial Department anticipates a minimal fiscal impact.

**Cities and Counties**

Cities and Counties anticipate a minimal fiscal impact.