

A-Engrossed
Senate Bill 1504

Ordered by the Senate February 19
Including Senate Amendments dated February 19

Sponsored by Senator COURTNEY; Senator ROBLAN (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Directs Department of Environmental Quality to study potential uses of government revenue from program for placing price on greenhouse gas emissions. Requires department to report to interim committee of Legislative Assembly no later than September 15, 2020.]

[Sunsets January 2, 2021.]

[Takes effect on 91st day following adjournment sine die.]

Provides that certain fungible authorizations or credits issued by state government agency pursuant to state program for regulating greenhouse gas emissions do not constitute property or property rights.

Provides that receipt of certain fungible authorizations, at no cost, from state government agency pursuant to state program for regulating greenhouse gas emissions is exempt from personal income taxation and corporate excise and income taxation.

Requires Department of Transportation, in consultation with Department of Environmental Quality and other appropriate state agencies, to study modifying classification of diesel fuel. Requires Department of Transportation to report results of study to Joint Committee on Transportation during 2021 regular session of Legislative Assembly. Requires report to include implementation plan for reclassifying diesel fuel.

A BILL FOR AN ACT

1
2 Relating to government revenue.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section, "carbon dioxide equivalent" means the amount**
5 **of carbon dioxide by weight that would produce the same global warming impact as a given**
6 **weight of another greenhouse gas, based on considerations including but not limited to the**
7 **best available science, including information from the Intergovernmental Panel on Climate**
8 **Change.**

9 **(2) A fungible authorization to emit a quantity of carbon dioxide equivalent, or a fungible**
10 **credit that represents a greenhouse gas emissions reduction or the removal of a quantity**
11 **of carbon dioxide equivalent, issued by a state government agency pursuant to a state pro-**
12 **gram for regulating greenhouse gas emissions, does not constitute property or a property**
13 **right for any purpose under state or local law, including taxation.**

14 **(3) The receipt of a fungible authorization to emit a quantity of carbon dioxide equivalent**
15 **directly distributed, at no cost to the person that receives the authorization, by a state**
16 **government agency pursuant to a state program for regulating greenhouse gas emissions**
17 **may not be subject to any local tax, fee, assessment or other charge and is exempt from**
18 **taxation under ORS chapters 316, 317 and 318.**

19 **SECTION 2. (1) The Department of Transportation, in consultation with the Department**
20 **of Environmental Quality and any other appropriate state agency, shall study modifying the**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **classification of diesel fuel from fuel, as defined in ORS 319.520, to motor vehicle fuel, as**
2 **defined in ORS 319.010. The study may include consideration of:**

3 **(a) Any necessary changes to law to ensure compliance of fuel sellers and motor vehicle**
4 **fuel dealers;**

5 **(b) Any potential impacts this change may have on motor vehicle fuel tax revenue col-**
6 **lections;**

7 **(c) Any potential impacts this change may have on weight-mile tax revenue collections;**

8 **(d) The most efficient method for maintaining fairness and proportionality of revenues**
9 **described in Article IX, section 3a (3), of the Oregon Constitution;**

10 **(e) Any potential impacts this change may have on operations of the Department of**
11 **Transportation pursuant to its oversight and regulatory functions;**

12 **(f) Whether vehicles with a registration weight over 10,000 pounds should be included**
13 **within a weight-mile tax system; and**

14 **(g) Any necessary changes to law regarding the treatment for purposes of taxation, of**
15 **dyed fuels, including but not limited to:**

16 **(A) Connection to the provisions of the Internal Revenue Code and federal regulations;**

17 **(B) Testing for illegal use; and**

18 **(C) Compliance and enforcement provisions.**

19 **(2) The Department of Transportation shall report the results of the study to the Joint**
20 **Committee on Transportation during the 2021 regular session of the Legislative Assembly in**
21 **the manner provided in ORS 192.245. The report must include an implementation plan to re-**
22 **classify diesel fuel beginning January 1, 2022.**

23