

House Bill 2184

Sponsored by Representative WILDE (Presession 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 **as introduced**.

Directs Department of Environmental Quality to provide interest-free loans to school districts, mass transit districts and transportation districts for purchase of electric buses and charging infrastructure for electric buses.

Authorizes issuance of revenue bonds to finance loan program.

A BILL FOR AN ACT

1
2 Relating to electric buses.

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

4 **SECTION 1. (1) The Department of Environmental Quality shall provide loans, out of the**
5 **Electric Bus Bond Fund established under section 4 of this 2021 Act, to qualified recipients**
6 **for the payment of costs related to:**

7 (a) **Purchase of electric buses; or**

8 (b) **Installation of electric charging infrastructure for electric bus fleets.**

9 (2) **A loan provided under this section may not carry interest.**

10 (3) **The department shall determine the amount of a loan under this section. The amount**
11 **of a loan for the purchase of an electric bus may not exceed the difference in cost between**
12 **the purchase of an electric bus and the purchase of a diesel-powered bus.**

13 (4) **Before issuing a loan under this section, the department shall enter into a loan**
14 **agreement with the qualified recipient that meets the following requirements:**

15 (a) **The agreement must provide that the qualified recipient may use loan amounts only**
16 **for purposes specified in the agreement and permissible under this section, and will refund**
17 **any excess amounts to the department.**

18 (b) **The agreement must specify the amount of the payments due under subsection (5)**
19 **of this section and must obligate the qualified recipient to make such payments.**

20 (5) **On an annual basis, each qualified recipient shall remit to the department, for each**
21 **electric bus purchased with loans provided under this section, an amount equal to the dif-**
22 **ference of the annual cost of operating a diesel-powered bus and the annual cost of operating**
23 **an electric bus, as determined by the department. Payments under this section are due until**
24 **the full loan amount is repaid.**

25 (6) **The department shall deposit amounts received under subsection (5) of this section**
26 **into the Electric Bus Bond Debt Service Fund established under section 5 of this 2021 Act.**

27 (7) **The department shall adopt rules necessary to carry out the provisions of this sec-**
28 **tion.**

29 (8) **As used in this section, "qualified recipient" means:**

30 (a) **A school district, as defined in ORS 330.005;**

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 (b) An education service district, as defined in ORS 334.003;
- 2 (c) A mass transit district established under ORS 267.010 to 267.394; or
- 3 (d) A transportation district established under ORS 267.510 to 267.650.

4 **SECTION 2.** As used in section 2 to 6 of this 2021 Act, “bond-related costs” means:

5 (1) The costs and expenses of issuing and administering bonds under sections 2 to 6 of
6 this 2021 Act, including but not limited to:

7 (a) Paying or redeeming the bonds, including principal, interest and premium, if any;

8 (b) Paying amounts due in connection with credit enhancement devices or reserve in-
9 struments;

10 (c) Paying the administrative costs and expenses of the State Treasurer or the Depart-
11 ment of Environmental Quality, including the cost of consultants, attorneys and advisers
12 retained by the State Treasurer or the department for the bonds; and

13 (d) Any other costs or expenses that the State Treasurer or the department determines
14 are necessary or desirable in connection with issuing or administering the bonds;

15 (2) The cost of funding bond reserves;

16 (3) Capitalized interest for the bonds; and

17 (4) Rebates or penalties due to the United States in connection with the bonds.

18 **SECTION 3.** (1) The State Treasurer may issue revenue bonds subject to the budget au-
19 thorization for bond issuance established under ORS 286A.035 for the Department of Envi-
20 ronmental Quality for the purpose of financing or refinancing, in whole or part, loans made
21 under section 1 of this 2021 Act, plus an additional amount to be estimated by the State
22 Treasurer for payment of bond-related costs.

23 (2) Net proceeds of the revenue bonds issued pursuant to this section must be deposited
24 in the Electric Bus Bond Fund established under section 4 of this 2021 Act for disbursement
25 to the department to finance loans under section 1 of this 2021 Act.

26 (3) Bond-related costs must be paid from the gross proceeds of the revenue bonds issued
27 under this section and from moneys deposited in the Electric Bus Bond Debt Service Fund
28 established under section 5 of this 2021 Act.

29 (4) The department, with the approval of the State Treasurer, may irrevocably pledge and
30 assign all or a portion of the moneys deposited in the Electric Bus Bond Debt Service Fund
31 for the purpose of securing revenue bonds issued under this section or credit enhancements
32 obtained for the revenue bonds issued under this section.

33 (5) Revenue bonds issued under this section:

34 (a) Are payable from the moneys deposited in the Electric Bus Bond Debt Service Fund;
35 and

36 (b) Do not constitute a debt or general obligation of the state, the Legislative Assembly
37 or a political subdivision of this state but are secured solely by:

38 (A) The moneys deposited in the Electric Bus Bond Debt Service Fund;

39 (B) Amounts in a debt service reserve account established with respect to revenue bonds
40 issued under this section; or

41 (C) A credit enhancement obtained for the revenue bonds issued under this section.

42 (6) The State Treasurer and the department have no obligation to pay bond-related costs
43 except as provided in this section. A holder of revenue bonds or other similar obligations
44 issued under this section does not have the right to compel the exercise of the taxing power
45 of the state to pay bond-related costs.

1 (7) The holders of revenue bonds issued under this section, upon the issuance of the re-
 2 venue bonds, have a perfected lien on the moneys deposited in the Electric Bus Bond Debt
 3 Service Fund that are pledged and assigned to the payment of the revenue bonds. The lien
 4 and pledge are valid and binding from the date of issuance of the revenue bonds and are
 5 automatically perfected without physical delivery, filing or other act. The lien and pledge are
 6 superior to subsequent claims or liens on the moneys deposited in the fund.

7 (8) As long as any revenue bonds issued under this section are outstanding, the pro-
 8 visions of this section and the provisions of a security document related to the revenue bonds
 9 are deemed to be contracts between the state and holders of the revenue bonds. The state:

10 (a) May not create a lien, encumbrance or any other obligation that is superior to the
 11 liens authorized by subsection (7) of this section on the moneys in the Electric Bus Bond
 12 Debt Service Fund that are pledged and assigned to the payment of the revenue bonds; and

13 (b) May not give force or effect to a statute or initiative or referendum measure ap-
 14 proved by the electors of this state if doing so would unconstitutionally impair existing
 15 covenants made with the holders of existing revenue bonds or would unconstitutionally im-
 16 pair other obligations or agreements regarding the security of revenue bonds to which the
 17 moneys deposited in the Electric Bus Bond Debt Service Fund are pledged and assigned.

18 **SECTION 4.** (1) The Electric Bus Bond Fund is established in the State Treasury, sepa-
 19 rate and distinct from the General Fund. The net proceeds from the sale of revenue bonds
 20 issued under section 3 of this 2021 Act must be credited to the Electric Bus Bond Fund. In-
 21 vestment earnings received on moneys in the fund must be credited to the fund.

22 (2) Moneys in the fund are continuously appropriated to the Department of Environ-
 23 mental Quality for the purpose of making loans under section 1 of this 2021 Act.

24 **SECTION 5.** (1) The Electric Bus Bond Debt Service Fund is established in the State
 25 Treasury, separate and distinct from the General Fund. The Electric Bus Bond Debt Service
 26 Fund consists of:

27 (a) Moneys deposited in the fund under section 1 of this 2021 Act;

28 (b) Any moneys appropriated or allocated to the fund; and

29 (c) Investment earnings received on moneys in the fund.

30 (2) Moneys in the fund are continuously appropriated to the Department of Environ-
 31 mental Quality to pay, when due, the bond-related costs on outstanding revenue bonds, to
 32 fund revenue bond reserves and to pay amounts due in connection with credit enhancements.

33 (3) The department, in consultation with the State Treasurer, shall use amounts in the
 34 fund to pay, when due, the bond-related costs on outstanding revenue bonds, to fund revenue
 35 bond reserves and to pay amounts due in connection with credit enhancements.

36 (4) If the moneys deposited in the fund are not sufficient to pay the bond-related costs
 37 due to be paid in a fiscal year, the department, in consultation with the State Treasurer,
 38 shall make payments in that fiscal year according to the relative priority of revenue bonds
 39 secured by the moneys deposited in the fund.

40 **SECTION 6.** (1) The Electric Bus Bond Administration Fund is established in the State
 41 Treasury, separate and distinct from the General Fund. The Electric Bus Bond Adminis-
 42 tration Fund consists of:

43 (a) The amount of revenue bond proceeds remaining after depositing the net proceeds in
 44 the Electric Bus Bond Fund;

45 (b) The proceeds of revenue bonds issued to pay bond-related costs;

1 **(c) Any moneys appropriated or allocated to the Electric Bus Bond Administration Fund;**
2 **and**

3 **(d) Investment earnings received on moneys in the fund.**

4 **(2) Moneys in the fund are continuously appropriated to the Department of Environ-**
5 **mental Quality to pay bond-related costs during the term of revenue bonds issued under**
6 **section 3 of this 2021 Act.**

7 **(3) The department, in consultation with the State Treasurer, may use amounts in the**
8 **Electric Bus Bond Administration Fund to pay bond-related costs during the term of revenue**
9 **bonds issued under section 3 of this 2021 Act. Amounts in the fund must be disbursed upon**
10 **the written request of the department.**

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