

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 125 A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Tim Walker
 Reviewed by: Michelle Deister
 Date: 03/16/2023

Measure Description:

Directs Department of Transportation to establish grant program for fuel cell electric vehicle and hydrogen fueling demonstration projects.

Government Unit(s) Affected:

Department of Transportation

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Oregon Department of Transportation		
General Fund		
Personal Services	\$197,324	\$225,514
Services and Supplies	\$217,800	\$20,000
Special Payments	\$12,392,438	\$12,146,924
Total General Fund	\$12,807,562	\$12,392,438
Total Fiscal Impact	\$12,807,562	\$12,392,438
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	1.00

Analysis: The measure directs the Oregon Department of Transportation (ODOT) to establish a grant program to award grants to public and private entities to demonstrate projects with the potential for wide-scale adoption and use of fuel cell electric vehicles and hydrogen fueling in the transportation sector. Grants awarded under this program are directed to be used to plan and develop projects that demonstrate the use of public or private fueling stations for electrolytic hydrogen and renewable hydrogen for dispensing to medium-duty or heavy-duty fuel cell electric vehicles. The measure also directs ODOT to conduct a study of the existing regulatory environment that may hinder the wide-scale adoption of fuel cell vehicles and hydrogen fueling. The measure appropriates \$25 million General Fund for the grant program.

ODOT must establish grant eligibility, evaluation, award, and oversight procedures and administer the grant program, which requires rule development, program management, grant oversight, funding distribution, and reporting. A limited duration Program Analyst 3 (0.88 FTE) position would manage the program. ODOT anticipates utilizing consultant services to assist in the development of the report required by Section 2 of the measure, at an estimated cost of \$200,000. This cost is not eligible to be funded using State Highway Funds, and additional General Fund resources would be required.

Given the size and scope of the program, ODOT does not anticipate being able to commit and expend the full \$25,000,000 appropriation during the 2023-25 biennium. The Legislative Fiscal Office notes that General Fund appropriations cannot be carried across biennia except for Judicial and Legislative Branch agencies; any General Fund monies appropriated by this measure and unused by the end of the 2023-25 biennium would revert to the

General Fund; the agency would need to request the remainder of unexpended General Fund, position authority, and costs associated with the required study as part of the 2025-27 agency budget development process.

The measure has a subsequent referral to the Joint Committee on Ways and Means.