

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2614**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires transportation network companies to meet or exceed specified targets for percentage of service miles provided by zero-emission vehicles.

Government Unit(s) Affected:

Department of Environmental Quality, Department of Transportation, Judicial Department

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
Department of Environmental Quality		
General Fund		
Personal Services	\$423,567	\$232,440
Services and Supplies	\$187,376	\$88,500
Total General Fund	\$610,943	\$320,940
Total Fiscal Impact	\$610,943	\$320,940
<i>Total Positions</i>	2	1
<i>Total FTE</i>	1.76	1.00

Analysis:

HB 2614 requires transportation network companies to report to the Department of Environmental Quality (DEQ) on the total number of passenger miles driven in Oregon by transportation network company vehicles and zero-emission transportation network company vehicles by April 1 of each year. The measure outlines targets that transportation network companies should meet or exceed for the percentage of passenger miles driven by zero emission vehicles each year, starting in 2024. DEQ is to conduct a feasibility review of the targets under certain circumstances and modify or delay the targets if needed. By January 1, 2031, all passenger miles must be driven by zero emission vehicles.

The measure establishes the Rideshare Electrification Fund with moneys continuously appropriated to DEQ, with up to 10% of funds used for administration of this measure. Of the remaining amounts after administrative costs, 40% is to be transferred to the Zero-Emission Incentive Fund; 20% is to be used to provide financial incentives for purchase or lease of zero-emission transportation network company vehicles by transportation network company drivers; 20% is for construction, planning, installation, operation or maintenance of electric vehicle charging stations at or near multifamily dwellings in which transportation network company drivers reside; and 20% for electrical work, including wiring, conduit or electrical panel upgrades and the purchase or installation of level 2 or higher electric vehicle charging stations at single-family dwellings in which transportation network company drivers reside. A civil penalty of \$0.50 per passenger mile that did not meet the targets for zero-emission vehicle passenger miles is to be deposited in the fund.

The measure also allows DEQ to impose a limit on the number of rebates available to an organization. The measure takes effect on the 91st day after the Legislature adjourns sine die.

Department of Environmental Quality

Unless an additional source of funding is provided for the Rideshare Electrification Fund, most of the costs incurred by DEQ will be dependent on the timing for civil penalty revenue. It is unclear when civil penalty revenue might begin to be received under this measure. If reports are due April 1 of each year, DEQ will not be able to determine compliance with the targets set under this measure until April 1, 2025 for calendar year 2024, and believes that it is likely that most companies will be able to meet the 5% target for percentage of passenger miles driven by zero-emission vehicles each year for 2024. If this is true, the earliest that civil penalty revenue will be received is 2026 or 2027, once companies report on compliance for calendar year 2025. As a result of this uncertainty, any payments from the Rideshare Electrification Fund are not reflected in the table above, and DEQ will need to seek additional Other Funds expenditure limitation in the 2025-27 biennium, once funding is available.

DEQ costs are estimated at \$610,943 General Fund in the 2023-25 biennium, and \$320,940 General Fund in the 2025-27 biennium.

The agency would hire one permanent, full-time Operations and Policy Analyst 3 (0.88 FTE in 2023-25 and 1.00 FTE in 2025-27) to conduct rulemaking, establish a reporting framework, receive reports and track compliance. Additionally, this position would be responsible for managing the Rideshare Electrification Fund. DEQ will also hire a limited duration full-time Environmental Law Specialist (0.88 in 2023-25) to assist with rulemaking, enforcement actions, and any contested case work. Total position costs are estimated at \$423,567 General Fund in the 2023-25 biennium and \$232,440 General Fund in the 2025-27 biennium.

In addition to personal services costs for the positions above, DEQ anticipates services and supplies costs totaling \$187,376 General Fund in the 2023-25 biennium and \$88,500 General Fund in the 2025-27 biennium. This includes an estimated \$120,000 to create a platform to receive rebate requests in the 2023-25 biennium; biennial platform maintenance costs of \$25,000 in the 2025-27 biennium; funding for projected legal costs; and position-related services and supplies.

Since it is not clear when civil penalty revenue would be received under this measure, and absent any other identified revenue source, this fiscal impact statement assumes that positions will be funded with General Fund for the 2023-25 and 2025-27 biennium, but that General Fund for the program may be phased out if sufficient civil penalty revenue is received to support program administration. The agency will also need to return to the Legislative Emergency Board or a future Legislative Session to request additional accounting support once there is a more concrete timeline for when, and what amount of civil penalty revenue, will be received.

Other Agencies

There is minimal fiscal impact for Oregon Judicial Department and Oregon Department of Transportation.