

House Bill 4107

Sponsored by Representative KOTEK; Representatives GORSEK, KENY-GUYER, SMITH WARNER, VEGA PEDERSON (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 **as introduced**.

Extends Alternative Fuel Vehicle Revolving Fund loan program to certain private entities.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to alternative fuel vehicles; creating new provisions; amending ORS 469.960, 469.962,
3 469.963, 469.964, 469.965 and 469.966; and declaring an emergency.

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

5 **SECTION 1.** ORS 469.960 is amended to read:

6 469.960. As used in ORS 469.960 to 469.966:

7 (1) "Alternative fuel vehicle" means a motor vehicle, as defined in ORS 801.360, that is manu-
8 factured or modified to use an alternative fuel, including but not limited to electricity, biofuel,
9 gasohol with at least 20 percent denatured alcohol content, hydrogen, hythane, methane, methanol,
10 natural gas, propane or any other fuel approved by the Director of the State Department of Energy,
11 and that produces lower exhaust emissions or is more energy efficient than equivalent equipment
12 fueled by gasoline or diesel.

13 (2) "**Private entity**" means a private business or company that:

14 (a) Operates a fleet of motor vehicles that are based in an area described in ORS 468A.390
15 or 815.300 (2); and

16 (b) Does not hire fleet drivers who qualify as independent contractors, as defined in ORS
17 670.600.

18 [(2)] (3) "Public body" has the meaning given that term in ORS 174.109.

19 [(3)] (4) "Tribe" means a federally recognized Indian tribe in Oregon.

20 **SECTION 2.** ORS 469.962 is amended to read:

21 469.962. (1) The State Department of Energy shall use the moneys in the Alternative Fuel Ve-
22 hicle Revolving Fund for a loan program to provide loans to **private entities**, public bodies and
23 tribes to:

24 (a) Assist in the purchase of new alternative fuel vehicles by providing funding for the additional
25 cost of purchasing alternative fuel vehicles as compared to vehicles that are not alternative fuel
26 vehicles; and

27 (b) Convert existing vehicles that use gasoline or diesel to alternative fuel vehicles.

28 (2) Funding priority under subsection (1) of this section must be given to vehicle conversions.

29 (3) The department may also use the moneys in the Alternative Fuel Vehicle Revolving Fund to
30 pay the expenses of the department in administering the Alternative Fuel Vehicle Revolving Fund
31 and the loan program and any other costs incurred by the department in carrying out the provisions

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 of ORS 469.960 to 469.966.

2 **SECTION 3.** ORS 469.963 is amended to read:

3 469.963. (1) In administering the Alternative Fuel Vehicle Revolving Fund, the State Department
4 of Energy shall:

- 5 (a) Allocate funds for loans in accordance with procedures adopted by the department by rule.
- 6 (b) Use accounting, auditing and fiscal procedures that conform to generally accepted govern-
7 ment accounting standards.
- 8 (c) Seek to maximize the ability of the Alternative Fuel Vehicle Revolving Fund to operate on
9 a self-sustaining basis and to maintain a perpetual source of financing to provide loans as described
10 in ORS 469.962.

11 (2) In connection with the loan program, the department may:

- 12 (a) Establish requirements for loans made from the Alternative Fuel Vehicle Revolving Fund to
13 ensure that adequate funds will be available in the fund to pay the costs of administering the fund
14 and the loan program.
- 15 (b) Exercise any remedies available to the department in connection with defaults on loans of
16 advanced funds made to **private entities**, public bodies and tribes.

17 **SECTION 4.** ORS 469.964 is amended to read:

18 469.964. (1) Any **private entity**, public body or tribe desiring a loan from the Alternative Fuel
19 Vehicle Revolving Fund shall submit an application to the State Department of Energy. The appli-
20 cation shall be in such form as may be specified by the department.

21 (2) Any **private entity**, public body or tribe receiving a loan from the Alternative Fuel Vehicle
22 Revolving Fund shall establish and maintain a dedicated source of revenue or other acceptable
23 source of revenue for the repayment of the loan.

24 **SECTION 5.** ORS 469.965 is amended to read:

25 469.965. Notwithstanding any limitation contained in any other provision of law or local charter,
26 a **private entity**, public body or tribe may:

- 27 (1) Borrow money from the Alternative Fuel Vehicle Revolving Fund through the State Depart-
28 ment of Energy; and
- 29 (2) Enter into loan agreements and make related agreements with the department, in which the
30 **private entity**, public body or tribe agrees to repay the borrowed money in accordance with the
31 terms of the loan agreement.

32 **SECTION 6.** ORS 469.966 is amended to read:

33 469.966. (1) The State Department of Energy shall establish by rule policies for establishing loan
34 terms and interest rates for loans made from the Alternative Fuel Vehicle Revolving Fund that en-
35 sure that the objectives of ORS 469.960 to 469.966 are met and that adequate funds are maintained
36 in the Alternative Fuel Vehicle Revolving Fund to meet future needs. In establishing the policy, the
37 department shall take into consideration at least the following factors:

- 38 (a) The ability of a **private entity**, public body or tribe to repay a loan.
- 39 (b) Current market rates of interest.

40 (2) The department may establish an interest rate ranging from zero to the market rate. The
41 department may establish the loan term, provided that the loan is fully amortized not later than six
42 years after the purchase of a new alternative fuel vehicle or the conversion of a vehicle that uses
43 gasoline or diesel to an alternative fuel vehicle.

44 (3) The department shall adopt by rule any procedures or standards necessary to carry out the
45 provisions of ORS 469.960 to 469.966.

1 **SECTION 7.** The amendments to ORS 469.960, 469.962, 469.963, 469.964, 469.965 and 469.966
2 by sections 1 to 6 of this 2014 Act apply to tax years beginning on or after January 1, 2015.

3 **SECTION 8.** This 2014 Act being necessary for the immediate preservation of the public
4 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect
5 on its passage.
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