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FISCAL IMPACT REPORT

SPONSOR Gonzales ORIGINAL DATE 2/5/18
LAST UPDATED _____ HB 165
SHORT TITLE Alternate Fuel Acquisition Act Definitions SB _____
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 165 amends the Alternative Fuel Acquisition Act (Act) by re-defining the types of vehicles that can utilize the alternative fuel acquisition loan fund. HB165 repeals the definition of “vehicles,” which had referred only to light duty vehicles under 8,500 pounds, and adds definitions to the Act that create the categories of light duty, medium duty and heavy duty vehicles. HB165 defines light duty vehicles as weighing not more than 14,000 pounds, “medium duty vehicles” as weighing between 14,000 pounds and 26,000 pounds, and “heavy duty vehicles” weighing over 26,000 pounds.

HB165 allows light duty, medium duty and heavy duty vehicles that use alternative fuels to receive alternative fuel acquisition loan funds and specifies the maximum loan amount would cover not more than the incremental cost of acquiring the alternative fuel vehicle or: \$5 thousand for a light duty vehicle; \$10 thousand for a medium duty vehicle; or \$20 thousand for a heavy-duty vehicle. HB165 also lowers the interest rate for loans from 5 percent to 0 percent.

FISCAL IMPLICATIONS

EMNRD reports no fiscal implications of enactment of this legislation and states that to date, no loans have been made from the alternative fuel acquisition loan fund since an appropriation or funding source has not been provided and there is currently no money in the fund.

SIGNIFICANT ISSUES

By increasing the maximum weight definition of light duty vehicles from 8,500 pounds to 14,000 pounds, HB165 broadens the spectrum of vehicles which must comply with the requirements of the Alternative Fuel Acquisition Act. These terms require 75 percent of light duty vehicle acquisitions by state government and education institutions in each year must meet corporate average fuel economy standards; are hybrid vehicles; are capable of operating on alternative fuel; or are plug-in electric vehicles. Alternative fuels are defined as natural gas, liquefied petroleum gas, electricity, hydrogen, a fuel moisture containing not less than 85 percent ethanol or methanol, a fuel mixture containing not less than 20 percent vegetable oil or a water-phased hydrocarbon fuel emulsion.

HB 165 expands the types of vehicles that are eligible for loans from the alternative fuel acquisition loan fund but does not include an appropriation to the fund. The fund currently has a zero balance.

CJ/al