

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass

**Vote:** 9 - 0 - 0

**Yeas:** Bentz, Boone, Dembrow, Johnson, Reardon, Vega Pederson, Weidner, Whitsett, Bailey

**Nays:** 0

**Exc.:** 0

**Prepared By:** Adam Crawford, Administrator

**Meeting Dates:** 4/2

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**WHAT THE MEASURE DOES:** Establishes money deposited into Oregon Clean Diesel Fund (Fund) received from federal government must be used to reduce emissions from diesel engines and are not subject to provisions of statute outlining how grants and loans from Fund are spent. Act applies to moneys deposited in Fund on or after effective date. Declares emergency, takes effect on passage.

**ISSUES DISCUSSED:**

- Clean Diesel Initiative
- Available and existing funding streams
- Metro solid waste system and diesel fleets

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The state of Oregon has historically funded clean diesel programs focused on exhaust retrofitting, repowers of non-road vehicles, and pre-1994 truck scrapping. State funding, including a tax credit for new diesel engines, has been discontinued. Funding from the federal Environmental Protection Agency is still available through the Diesel Emissions Reduction Act (DERA). Federal funds flow to a legislatively established Oregon Clean Diesel Fund (Fund) managed by the Department of Environmental Quality

Currently, criteria for what constitutes an eligible activity under the Fund are narrower than eligibility criteria for the federal DERA program, and Oregon statutes are preventing the expenditure of federal funds for activities that are allowable under federal law. Senate Bill 249 A would specify that federal DERA funds must be spent to reduce emissions from diesel engines in accordance with federal restrictions but are not subject to the narrower Oregon criteria.