

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Environment and Natural Resources

REVENUE: May have revenue impact, statement not yet issued**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO:****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Beth Reiley, Administrator**Meeting Dates:** 4/1

WHAT THE MEASURE DOES: Requires public improvement contracts using federal funds from congestion mitigation and air quality grants to contain and reserve one percent of total contract price for performing repowers or retrofits of certain diesel engines used in course of performing contract advertised or entered into on or after January 1, 2016; extends requirement to state or local contracting agency project with value of at least \$2 million when state funds constitute 30% of value on or after January 1, 2018. Sunsets requirement on January 1, 2028. Beginning January 1, 2017, requires certain nonroad diesel engines to be registered with Department of Environmental Quality (DEQ) and pay fee to be used to issue grants and loans to owners and operators of nonroad Oregon diesel engines. Authorizes Environmental Quality Commission (Commission) to adopt rules and registration fees. Directs Commission to adopt diesel emission standards by rule operative January 1, 2022. Requires Commission to phase in implementation of certain standards. Repeals state preemption of local regulation of idling by primary engines in commercial vehicles. Appropriates \$__ to DEQ for incentive program.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: (Proposed -1 Amendment) Clarifies local contracting agency is located within city designated as metropolitan statistical area. Directs Environmental Quality Commission, effective January 1, 2017, to require by rule that person not operate nonroad diesel engine without registering it with Department of Environmental Quality (DEQ) with exception for farm vehicles, farm tractors and implements of husbandry. Requires fees be sufficient to cover cost of program and issuing grants and loans. Outlines process for DEQ to register, provide renewals for nonroad diesel engine and deposit money in Clean Diesel Engine Fund. Applies diesel emission standards to medium-duty truck. Requires emission standards for nonroad diesel engines be more protective of public health than allowed under federal Clean Air Act. Declares emergency, effective on passage.

BACKGROUND: Diesel engines are used throughout Oregon and the United States because of their reputation for reliability, durability, power and fuel efficiency. In Oregon, on-road heavy duty diesel trucks and diesel construction equipment is the largest source of diesel exhaust. Diesel exhaust poses a health risk, particularly in urban areas that are close to highways and major roads.