

Requested by Representative HELM

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2704**

1 On page 1 of the printed bill, delete lines 5 through 24 and delete pages  
2 2 through 7 and insert:

3

4

**“REBATE PROGRAM**

5

6 **“SECTION 1. As used in sections 1 to 3 of this 2017 Act:**

7 **“(1) ‘Light-duty zero-emission vehicle’ means a motor vehicle that:**

8 **“(a) Has a gross vehicle weight rating of 8,500 pounds or less;**

9 **“(b) Is capable of attaining a speed of 55 miles per hour or more;**

10 **and**

11 **“(c) Is powered by any of the following means:**

12 **“(A) Primarily through the use of an electric battery but may use**  
13 **a flywheel energy storage device or a capacitor that also stores energy**  
14 **to assist in vehicle operation.**

15 **“(B) Polymer electrolyte membrane fuel cells or proton exchange**  
16 **membrane fuel cells that use hydrogen fuel and oxygen from the air**  
17 **to produce electricity.**

18 **“(C) Predominantly through the use of a zero-emission energy**  
19 **storage device that provides enough power for the vehicle to travel 75**  
20 **miles or more using only electricity but may use a backup alternative**  
21 **power unit that does not operate until the energy storage device is**

1 fully depleted.

2 “(2) ‘Neighborhood electric vehicle’ means a low-speed vehicle that:

3 “(a) Is powered using an electric battery;

4 “(b) Has a gross vehicle weight not exceeding 3,000 pounds; and

5 “(c) Has at least four wheels.

6 “(3) ‘Person’ means a person as defined in ORS 174.100 or a public  
7 body as defined in ORS 174.109.

8 “(4) ‘Plug-in hybrid electric vehicle’ means a hybrid electric vehicle  
9 that:

10 “(a) Has zero evaporative emissions from its fuel system;

11 “(b) Has an on-board electrical energy storage device with useful  
12 capacity of 10 or more miles of urban dynamometer driving schedule  
13 range, as described by the United States Environmental Protection  
14 Agency, on electricity alone;

15 “(c) Is equipped with an on-board charger;

16 “(d) Is rechargeable from an external connection to an off-board  
17 electrical source;

18 “(e) Meets the super ultra-low emission vehicle standards for ex-  
19 haust emissions, as defined by the State Department of Energy by  
20 rule;

21 “(f) Has a 15-year and 150,000-mile warranty on emission control  
22 components; and

23 “(g) Is capable of attaining a speed of 55 miles per hour or more.

24 “(5) ‘Public transportation’ means transportation provided by:

25 “(a) A city, county, special district or any other political subdivision  
26 or municipal or public corporation; or

27 “(b) A community action agency.

28 “(6) ‘Qualifying vehicle’ means a vehicle that:

29 “(a) Is of a type defined in this section as a:

30 “(A) Light-duty zero-emission vehicle;

1       **“(B) Neighborhood electric vehicle;**  
2       **“(C) Plug-in hybrid electric vehicle; or**  
3       **“(D) Zero-emission motorcycle;**  
4       **“(b) Is new, or has been previously used only as a dealership floor**  
5 **model or test-drive vehicle;**  
6       **“(c) Has not previously been registered;**  
7       **“(d) Is constructed entirely from new parts that have never been**  
8 **the subject of a retail sale;**  
9       **“(e) Has a base manufacturer’s suggested retail price of less than**  
10 **\$60,000;**  
11       **“(f) Is covered by a manufacturer’s express warranty on the vehicle**  
12 **drive train, including the applicable energy storage system or battery**  
13 **pack, for at least 24 months from the date of purchase; and**  
14       **“(g) Is certified by the manufacturer to comply with all applicable**  
15 **federal safety standards issued by the National Highway Traffic Safety**  
16 **Administration for new motor vehicles and new motor vehicle equip-**  
17 **ment.**  
18       **“(7) ‘Vehicle dealer’ means a holder of a vehicle dealer certificate**  
19 **issued under ORS 822.020 or renewed under ORS 822.040.**  
20       **“(8) ‘Zero-emission transit bus’ means a commercial bus that:**  
21       **“(a) Does not produce carbon or particulate matter exhaust emis-**  
22 **sions under any operational modes or conditions;**  
23       **“(b) Will be operated after purchase to provide public transporta-**  
24 **tion;**  
25       **“(c) Is new and is constructed entirely from new parts that have**  
26 **never been the subject of a retail sale or is repowered entirely with a**  
27 **zero-emission drive train;**  
28       **“(d) Has not previously been registered; and**  
29       **“(e) Is of a model that has been tested by, and received a passing**  
30 **score from, the Federal Transit Administration at a facility authorized**

1 under 49 U.S.C. 5318(a).

2 “(9) ‘Zero-emission motorcycle’ means a vehicle that has zero  
3 evaporative emissions from its fuel system, is capable of attaining a  
4 speed of 55 miles per hour or more and:

5 “(a) Is a fully-enclosed vehicle designed to travel on three wheels;  
6 or

7 “(b) Is a motorcycle designed to travel on two wheels and is pow-  
8 ered by electricity.

9 “SECTION 2. (1) The Environmental Quality Commission shall hire  
10 or contract with a third-party nonprofit organization to implement  
11 and administer an alternative fuel or zero-emission vehicle rebate  
12 program to provide rebates to persons that purchase and register  
13 qualifying vehicles and zero-emission transit buses in this state.

14 “(2) The commission may:

15 “(a) Require that the third-party nonprofit organization includes in  
16 the program design features specified by the commission; and

17 “(b) Establish procedures to:

18 “(A) Prioritize available moneys for specific qualifying vehicles; and

19 “(B) Limit the number of rebates available for each type of quali-  
20 fying vehicle.

21 “(3) The purchaser or lessee of a qualifying vehicle or zero-emission  
22 transit bus registered in this state may apply for a rebate for a portion  
23 of the purchase price or may choose to assign the rebate to a vehicle  
24 dealer or lessor.

25 “(4) Rebates under this section shall be made from moneys credited  
26 to or deposited in the Zero-Emission Incentive Fund established under  
27 section 8 of this 2017 Act. A rebate may not be made if sufficient funds  
28 are not available in the fund to make the rebate.

29 “(5) The commission shall prescribe the rebate application proce-  
30 dure for purchasers. All rebate applications must include a declaration

1 under penalty of perjury in the form required by ORCP 1 E.

2 “(6)(a) Subject to section 9 of this 2017 Act, rebates for the following  
3 qualifying vehicles under this section shall be as follows:

4 “(A) For light-duty zero-emission vehicles and plug-in hybrid elec-  
5 tric vehicles with an electrochemical energy storage capacity of 10  
6 kilowatt hours or more, \$2,500.

7 “(B) For light-duty zero-emission vehicles or plug-in hybrid electric  
8 vehicles with an electrochemical energy storage capacity of less than  
9 10 kilowatt hours, \$1,500.

10 “(C) For neighborhood electric vehicles, \$750.

11 “(D) For zero-emission motorcycles, \$750.

12 “(b) Subject to section 9 of this 2017 Act, rebates for zero-emission  
13 transit buses shall be \$250,000.

14 “(7) To be eligible for a rebate, a person requesting a rebate under  
15 this section shall:

16 “(a) Purchase or lease a new qualifying vehicle. Any lease must  
17 have a minimum term of 24 months.

18 “(b) Register the qualifying vehicle in Oregon.

19 “(c) Submit an application for a rebate to the Department of Envi-  
20 ronmental Quality within six months of the date of purchase or six  
21 months from the date the lease begins.

22 “(d) Retain registration of the qualifying vehicle in Oregon for a  
23 minimum of 24 consecutive months following the date of purchase or  
24 following the date the lease begins.

25 “(8) A person that receives a rebate under this section may not  
26 make or allow any modifications to the vehicle’s emissions control  
27 systems, hardware, software calibrations or hybrid system.

28 “(9) If a rebate recipient intends to sell the vehicle, or otherwise  
29 terminate the vehicle lease before the end of 24 months, the rebate  
30 recipient shall notify the department of the recipient’s intent to sell

1 the vehicle or terminate a lease and reimburse the department for the  
2 entire rebate amount.

3 “(10) The department may request participation from rebate recipi-  
4 ents in ongoing research efforts.

5 “(11) The department shall work to ensure timely payment of re-  
6 bates with a goal of paying rebates within 60 days of receiving an ap-  
7 plication for a rebate.

8 “(12) A vehicle dealer may advertise the program on the premises  
9 owned or operated by the vehicle dealer. If no moneys are available  
10 from the program or the program otherwise changes, a vehicle dealer  
11 who advertises the program may not be held liable for advertising false  
12 or misleading information.

13 “(13) The department may adopt any rules necessary to carry out  
14 the provisions of this section.

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16

## “CHARGE AHEAD OREGON PROGRAM

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18 “SECTION 3. (1) The Director of the Department of Environmental  
19 Quality shall hire or contract with a third-party nonprofit organization  
20 to develop and implement a Charge Ahead Oregon program.

21 “(2) The Charge Ahead Oregon program shall:

22 “(a) Provide rebates or similar incentives for low income households  
23 and moderate income households, as those terms are defined in ORS  
24 456.270, to voluntarily retire or scrap high-emission passenger motor  
25 vehicles and replace those vehicles with new or used light-duty zero-  
26 emission vehicles;

27 “(b) Require that the high-emission passenger motor vehicles are  
28 currently registered as operable and have been continuously registered  
29 for the two years immediately preceding the date of application to the  
30 program;



1 **biennium.**

2  
3 **“TAX CREDIT AUCTION**

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5 **“SECTION 5.** Section 9, chapter 774, Oregon Laws 2013, is amended to  
6 read:

7 **“Sec. 9.** (1) A credit against the taxes that are otherwise due under ORS  
8 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or  
9 318, is allowed to a taxpayer for certified alternative fuel vehicle contribu-  
10 tions made by the taxpayer during the tax year to the [*Alternative Fuel Ve-*  
11 *hicle Revolving Fund established under section 2 of this 2013 Act*]  
12 **Zero-Emission Incentive Fund established under section 8 of this 2017**  
13 **Act.**

14 **“(2)(a)** The Department of Revenue shall, in cooperation with the [*State*  
15 *Department of Energy*] **Department of Environmental Quality**, conduct an  
16 auction of tax credits under this section. The Department of Revenue may  
17 not auction more than \$3 million of tax credits under this section. The de-  
18 partment may conduct the auction in the manner that the department de-  
19 termines is best suited to maximize the return to the state on the sale of tax  
20 credit certifications and shall announce a reserve bid prior to conducting the  
21 auction. The reserve amount shall be at least 95 percent of the total amount  
22 of the tax credit. Moneys necessary to reimburse the Department of Revenue  
23 for the actual costs incurred by the department in administering an auction,  
24 not to exceed 0.25 percent of auction proceeds, are continuously appropriated  
25 to the department. The Department of Revenue shall deposit net receipts  
26 from the auction required under this section in the [*Alternative Fuel Vehicle*  
27 *Revolving Fund established under section 2 of this 2013 Act. Net receipts from*  
28 *the auction required under this section shall be used to provide loans as de-*  
29 *scribed in section 3 of this 2013 Act*] **Zero-Emission Incentive Fund es-**  
30 **tablished under section 8 of this 2017 Act.**



1 “(b) The [*State Department of Energy*] **Environmental Quality Com-**  
2 **mission** shall adopt rules for the administration and implementation of this  
3 section.

4 “(3) Contributions made under this section shall be deposited in the [*Al-*  
5 *ternative Fuel Vehicle Revolving Fund*] **Zero-Emission Incentive Fund**.

6 “(4)(a) Upon receipt of a contribution, the [*State Department of Energy*]  
7 **Department of Environmental Quality** shall issue to the taxpayer written  
8 certification of the amount certified for tax credit under this section to the  
9 extent the amount certified for tax credit, when added to all amounts previ-  
10 ously certified for tax credit under this section, does not exceed \$3 million  
11 for the tax year beginning **on or after** January 1, 2013, **and before January**  
12 **1, 2017, and \$23 million for any biennium beginning on or after July**  
13 **1, 2017.**

14 “(b) The [*State Department of Energy*] **Department of Environmental**  
15 **Quality** and the Department of Revenue are not liable, and a refund of a  
16 contributed amount need not be made, if a taxpayer who has received tax  
17 credit certification is unable to use all or a portion of the tax credit to offset  
18 the tax liability of the taxpayer.

19 “(5) The tax credit allowed under this section for any one tax year may  
20 not exceed the tax liability of the taxpayer.

21 “(6) Any tax credit otherwise allowable under this section that is not used  
22 by the taxpayer in a particular tax year may be carried forward and offset  
23 against the taxpayer’s tax liability for the next succeeding tax year. Any  
24 credit remaining unused in the next succeeding tax year may be carried  
25 forward and used in the second succeeding tax year, and, likewise, any credit  
26 not used in the second succeeding tax year may be carried forward and used  
27 in the third succeeding tax year but may not be carried forward for any tax  
28 year thereafter.

29 “(7) If a tax credit is claimed under this section by a nonresident or  
30 part-year resident taxpayer, the amount shall be allowed without proration

1 under ORS 316.117.

2 “(8) If the amount of contribution for which a tax credit certification is  
3 made is allowed as a deduction for federal tax purposes, the amount of the  
4 contribution shall be added to federal taxable income for Oregon tax pur-  
5 poses.

6 **“SECTION 6.** Section 11, chapter 774, Oregon Laws 2013, as amended by  
7 section 9, chapter 38, Oregon Laws 2014, is amended to read:

8 **“Sec. 11. (1)** Section 9, chapter 774, Oregon Laws 2013, applies to tax  
9 years beginning on or after January 1, 2013, and before January 1, [2017]  
10 **2027.**

11 **“(2) The amendments to section 9, chapter 774, Oregon Laws 2013,**  
12 **by section 5 of this 2017 Act apply to tax years beginning on or after**  
13 **January 1, 2018, and before January 1, 2027.**

14 **“SECTION 7. The Director of the Department of Environmental**  
15 **Quality may hire or contract with a marketer to market the tax**  
16 **credits described in section 9, chapter 774, Oregon Laws 2013, to tax-**  
17 **payers.**

18

19 **“ZERO-EMISSION INCENTIVE FUND**

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21 **“SECTION 8. (1) The Zero-Emission Incentive Fund is established**  
22 **in the State Treasury, separate and distinct from the General Fund.**  
23 **Interest earned by the Zero-Emission Incentive Fund shall be credited**  
24 **to the fund.**

25 **“(2) Moneys in the Zero-Emission Incentive Fund shall consist of:**

26 **“(a) Amounts donated to the fund;**

27 **“(b) Amounts appropriated or otherwise transferred to the fund by**  
28 **the Legislative Assembly;**

29 **“(c) Other amounts deposited in the fund from any source; and**

30 **“(d) Interest earned by the fund.**

1       **“(3) Moneys in the fund are continuously appropriated to the De-**  
2 **partment of Environmental Quality. Each biennium after the payment**  
3 **of refunds to taxpayers as described in section 9, chapter 774, Oregon**  
4 **Laws 2013, out of the moneys deposited in the fund per biennium, the**  
5 **remaining funds may be used as follows:**

6       **“(a)(A) Up to one percent per biennium may be expended to pay a**  
7 **third-party nonprofit organization to market the tax credits described**  
8 **in section 9, chapter 774, Oregon Laws 2013, to taxpayers.**

9       **“(B) Up to 10 percent per biennium may be expended to pay a**  
10 **third-party nonprofit organization to design and implement the Charge**  
11 **Ahead Oregon program described in section 3 of this 2017 Act.**

12       **“(C) Up to 10 percent per biennium may be expended to pay the**  
13 **Department of Environmental Quality’s costs of administering**  
14 **sections 1 to 4 and 7 to 9 of this 2017 Act.**

15       **“(b) After the expenditures listed in paragraph (a) of this sub-**  
16 **section, may be expended to pay a third-party nonprofit organization**  
17 **to implement, administer, promote and evaluate the alternative fuel**  
18 **or zero-emission vehicle rebate program described in section 2 of this**  
19 **2017 Act and to pay out rebates under the program.**

20       **“(4) Expenditures from the fund are not subject to ORS 291.232 to**  
21 **291.260.**

22       **“(5) The Department of Environmental Quality shall encourage**  
23 **gifts, grants, donations or other contributions to the fund.**

24       **“SECTION 9. (1) The total amount of potential tax credits for**  
25 **Zero-Emission Incentive Fund contributions in this state may not, at**  
26 **the time of certification under section 9, chapter 774, Oregon Laws**  
27 **2013, exceed \$23 million for any biennium.**

28       **“(2) The Environmental Quality Commission may adopt rules as**  
29 **necessary to carry out the provisions of this section.**

30

1 "MISCELLANEOUS

2  
3 **"SECTION 10. Section 2 of this 2017 Act applies to qualifying vehi-**  
4 **cles purchased or leased on or after the effective date of this 2017 Act.**

5 **"SECTION 11. (1)(a) Sections 1 to 3, 8 and 9 of this 2017 Act are re-**  
6 **pealed on January 2, 2027.**

7 **"(b) Any moneys remaining in the Zero-Emission Incentive Fund**  
8 **on the date of the repeal specified in subsection (1) of this section that**  
9 **are unexpended, unobligated and not subject to any conditions shall**  
10 **be transferred by the State Treasurer to the credit of an account of**  
11 **the Department of Environmental Quality to be used for vehicle**  
12 **emission reduction programs.**

13 **"(2) Section 4 of this 2017 Act is repealed on January 2, 2019.**

14 **"SECTION 12. The unit captions used in this 2017 Act are provided**  
15 **only for the convenience of the reader and do not become part of the**  
16 **statutory law of this state or express any legislative intent in the**  
17 **enactment of this 2017 Act.**

18 **"SECTION 13. (1) Sections 1 to 4 and 7 to 9 of this 2017 Act and the**  
19 **amendments to sections 9 and 11, chapter 774, Oregon Laws 2013, by**  
20 **sections 5 and 6 of this 2017 Act become operative on January 1, 2018.**

21 **"(2) The Department of Environmental Quality and the Environ-**  
22 **mental Quality Commission may take any action before the operative**  
23 **date specified in subsection (1) of this section that is necessary to en-**  
24 **able the department and the commission to exercise, on or after the**  
25 **operative date specified in subsection (1) of this section, all of the du-**  
26 **ties, functions and powers conferred on the department and the com-**  
27 **mission by sections 1 to 4 and 7 to 9 of this 2017 Act and the**  
28 **amendments to sections 9 and 11, chapter 774, Oregon Laws 2013, by**  
29 **sections 5 and 6 of this 2017 Act.**

30 **"SECTION 14. This 2017 Act takes effect on the 91st day after the**

1 **date on which the 2017 regular session of the Seventy-ninth Legislative**  
2 **Assembly adjourns sine die.”**

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