

House Bill 3305

Sponsored by Representative POWER

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**.

Prohibits retail dealer, nonretail dealer or wholesale dealer from selling petroleum diesel for use in motor vehicle on or after specified dates.

Requires public improvement contract to require that motor vehicles be powered by fuel other than petroleum diesel.

Prohibits public body from using petroleum diesel in motor vehicle under control of public body.

A BILL FOR AN ACT

1
2 Relating to diesel fuel.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Motor vehicle"** means every self-propelled vehicle operated on the highway, except
6 an implement of husbandry used in agricultural operations and only incidentally operated or
7 moved upon the highway.

8 (b) **"Nonretail dealer"** means any person who owns, operates, controls or supervises an
9 establishment at which diesel fuel is dispensed through a card-activated or key-activated fuel
10 dispensing device to nonretail customers for use in a motor vehicle.

11 (c)(A) **"Petroleum diesel"** means fuel produced from the distillation of petroleum or its
12 products that is suitable for use in a compression ignition engine.

13 (B) **"Petroleum diesel"** does not include fuel that consists of a blend of petroleum diesel
14 and biodiesel or other renewable diesel, as those terms are defined in ORS 646.905, where the
15 biodiesel or other renewable diesel is at least 99 percent of the mixture by volume.

16 (d) **"Retail dealer"** means any person who owns, operates, controls or supervises an es-
17 tablishment at which diesel fuel is sold or offered for sale to the public for use in a motor
18 vehicle.

19 (e) **"Use in a motor vehicle"** means receiving, into any receptacle on a motor vehicle, fuel
20 to be consumed in propelling the motor vehicle on the highways of this state.

21 (f) **"Wholesale dealer"** means any person engaged in the sale of diesel fuel if the seller
22 knows or has reasonable cause to believe the buyer intends to resell the diesel fuel in the
23 same or an altered form to another.

24 (2) **Notwithstanding ORS 646.922, on or after the following dates, a nonretail dealer or**
25 **retail dealer may not sell or offer for sale petroleum diesel to a consumer for use in a motor**
26 **vehicle:**

27 (a) **January 1, 2024, if the nonretail dealer is located in Clackamas, Washington or**
28 **Multnomah County.**

29 (b) **January 1, 2027, if the nonretail dealer is located anywhere in this state.**

30 (c) **January 1, 2025, if the retail dealer is located in Clackamas, Washington or**

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 **Multnomah County.**

2 (d) **January 1, 2028, if the retail dealer is located anywhere in this state.**

3 (3) **Notwithstanding ORS 646.922, on or after the following dates, a wholesale dealer may**
4 **not sell petroleum diesel to a retail dealer or nonretail dealer if the wholesale dealer knows**
5 **or has reasonable cause to believe that the retail dealer or nonretail dealer intends to sell**
6 **petroleum diesel to another for use in a motor vehicle:**

7 (a) **January 1, 2024, if the nonretail dealer is located in Clackamas, Washington or**
8 **Multnomah County.**

9 (b) **January 1, 2027, if the nonretail dealer is located in this state.**

10 (c) **January 1, 2025, if the retail dealer is located in Clackamas, Washington or**
11 **Multnomah County.**

12 (d) **January 1, 2028, if the retail dealer is located in this state.**

13 (4) **The State Department of Agriculture may adopt rules as necessary to implement this**
14 **section.**

15 **SECTION 2. (1) As used in this section:**

16 (a) **“Motor vehicle” has the meaning given that term in section 1 of this 2021 Act.**

17 (b) **“Petroleum diesel” has the meaning given that term in section 1 of this 2021 Act.**

18 (c) **“Public contracting agency” means any agency of the State of Oregon or any political**
19 **subdivision thereof authorized by law to enter into public contracts and any public body**
20 **created by intergovernmental agreement.**

21 (2) **A public improvement contract that a public contracting agency enters into must**
22 **require that the total fleet of motor vehicles used on-site and in the course of performing**
23 **the contract be powered by fuel other than petroleum diesel.**

24 (3) **The Director of Transportation, the Director of the Oregon Department of Adminis-**
25 **trative Services and the Attorney General may adopt rules for contract specifications relat-**
26 **ing to the use of motor vehicles powered by fuel other than petroleum diesel on site and in**
27 **the course of performing a public improvement contract.**

28 (4) **Subsection (2) of this section applies to public improvement contracts performed**
29 **within Clackamas, Washington or Multnomah County.**

30 **SECTION 3. Section 2 of this 2021 Act is amended to read:**

31 **Sec. 2. (1) As used in this section:**

32 (a) **“Motor vehicle” has the meaning given that term in section 1 of this 2021 Act.**

33 (b) **“Petroleum diesel” has the meaning given that term in section 1 of this 2021 Act.**

34 (c) **“Public contracting agency” means any agency of the State of Oregon or any political sub-**
35 **division thereof authorized by law to enter into public contracts and any public body created by**
36 **intergovernmental agreement.**

37 (2) **A public improvement contract that a public contracting agency enters into must require**
38 **that the total fleet of motor vehicles used on-site and in the course of performing the contract be**
39 **powered by fuel other than petroleum diesel.**

40 (3) **The Director of Transportation, the Director of the Oregon Department of Administrative**
41 **Services and the Attorney General may adopt rules for contract specifications relating to the use**
42 **of motor vehicles powered by fuel other than petroleum diesel on site and in the course of per-**
43 **forming a public improvement contract.**

44 *[(4) Subsection (2) of this section applies to public improvement contracts performed within*
45 *Clackamas, Washington or Multnomah County.]*

SECTION 4. (1) As used in this section:

(a) "Motor vehicle" has the meaning given that term in section 1 of this 2021 Act.

(b) "Petroleum diesel" has the meaning given that term in section 1 of this 2021 Act.

(c) "Public body" has the meaning given that term in ORS 174.109.

(d) "State government" has the meaning given that term in ORS 174.111.

(2) A public body may not use petroleum diesel in a motor vehicle subject to the control of the public body.

(3) Subsection (2) of this section applies to public bodies located within Clackamas, Washington or Multnomah County and state government bodies to the extent of the state government body's regular operations within Clackamas, Washington or Multnomah County.

SECTION 5. Section 4 of this 2021 Act is amended to read:

Sec. 4. (1) As used in this section:

(a) "Motor vehicle" has the meaning given that term in section 1 of this 2021 Act.

(b) "Petroleum diesel" has the meaning given that term in section 1 of this 2021 Act.

(c) "Public body" has the meaning given that term in ORS 174.109.

(d) "State government" has the meaning given that term in ORS 174.111.

(2) A public body may not use petroleum diesel in a motor vehicle subject to the control of the public body.

[(3) Subsection (2) of this section applies to public bodies located within Clackamas, Washington or Multnomah County and state government bodies to the extent of the state government body's regular operations within Clackamas, Washington or Multnomah County.]

SECTION 6. (1) The Department of Environmental Quality, in consultation with the State Department of Agriculture, shall study:

(a) The supply in this state of petroleum diesel and fuels that can be used as alternatives to petroleum diesel;

(b) Whether the supply of fuels that can be used as alternatives to petroleum diesel is sufficient to meet the demand of government bodies, businesses and individuals in light of the requirements of sections 1, 2 and 4 of this 2021 Act; and

(c) The effects of sections 1, 2 and 4 of this 2021 Act on the clean fuels program adopted by the Environmental Quality Commission by rule under ORS 468A.266.

(2) The Department of Environmental Quality shall annually report the results of the study conducted under subsection (1) of this section to the interim committees of the Legislative Assembly related to the environment in the manner provided in ORS 192.245.

SECTION 7. Section 2 of this 2021 Act becomes operative January 1, 2023, and applies to public improvement contracts advertised or solicited on or after January 1, 2023, or, for public improvement contracts that are not advertised or solicited, public improvement contracts that a public contracting agency enters into on or after January 1, 2023.

SECTION 8. The amendments to section 2 of this 2021 Act by section 3 of this 2021 Act become operative January 1, 2026, and apply to public improvement contracts advertised or solicited on or after January 1, 2026, or, for public improvement contracts that are not advertised or solicited, public improvement contracts that a public contracting agency enters into on or after January 1, 2026.

SECTION 9. (1) Section 4 of this 2021 Act becomes operative on January 1, 2023.

(2) The amendments to section 4 of this 2021 Act by section 5 of this 2021 Act become operative on January 1, 2026.

