

House Bill 2700

Sponsored by Representative NERON (Pre-session filed.)

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**.

Modifies zero-emission and electric vehicle rebate programs to allow rebate for purchase or lease of electric farm tractor or repowering of farm tractor.

Applies to electric farm tractors purchased or leased and farm tractor repowering costs incurred on or after January 1, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to electric farm equipment; creating new provisions; amending ORS 468.442, 468.444 and
3 468.446; and prescribing an effective date.

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

5 **SECTION 1.** ORS 468.442 is amended to read:

6 468.442. As used in ORS 468.442 to 468.449:

7 (1) **“Electric farm tractor” means a farm tractor as defined in ORS 801.265 that:**

8 (a) **Is powered by electricity; and**

9 (b) **Meets other specifications as prescribed by the Environmental Quality Commission**
10 **by rule.**

11 [(1)] (2) **“Light-duty zero-emission vehicle” means a motor vehicle that:**

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

13 (b) Is capable of attaining a speed of 55 miles per hour or more; and

14 (c) Is powered:

15 (A) Primarily by an electric battery and may or may not use a flywheel energy storage device
16 or a capacitor that also stores energy to assist in vehicle operation.

17 (B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use
18 hydrogen fuel and oxygen from the air to produce electricity.

19 (C) Primarily by a zero-emission energy storage device that provides enough power for the ve-
20 hicle to travel 75 miles or more using only electricity and may or may not use a backup alternative
21 power unit that does not operate until the energy storage device is fully depleted.

22 [(2)] (3) **“Motor vehicle” has the meaning given that term in ORS 801.360.**

23 [(3)] (4) **“Neighborhood electric vehicle” means a low-speed vehicle that:**

24 (a) Is powered using an electric battery;

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

26 (c) Has at least four wheels.

27 [(4)] (5) **“Person” means a person as defined in ORS 174.100 or a public body as defined in ORS**
28 **174.109.**

29 [(5)] (6) **“Plug-in hybrid electric vehicle” means a hybrid electric motor vehicle that:**

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

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 (b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles
2 of urban dynamometer driving schedule range, as described by the United States Environmental
3 Protection Agency, on electricity alone;

4 (c) Is equipped with an onboard charger;

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

6 (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as defined by the
7 Environmental Quality Commission by rule;

8 (f) Has a warranty of at least 15 years and 150,000 miles on emission control components; and

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

10 [(6)] (7) "Qualifying vehicle" means a motor vehicle that:

11 (a) Is a:

12 (A) Light-duty zero-emission vehicle;

13 (B) Neighborhood electric vehicle;

14 (C) Plug-in hybrid electric vehicle; or

15 (D) Zero-emission motorcycle;

16 (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;

17 (c) Has not previously been registered;

18 (d) Is constructed entirely from new parts that have never been the subject of a retail sale;

19 (e) Has a base manufacturer's suggested retail price of less than:

20 (A) \$50,000; or

21 (B) If the motor vehicle is powered as described in subsection [(1)(c)(B)] (2)(c)(B) of this section,
22 \$60,000;

23 (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the
24 applicable energy storage system or battery pack, for at least 24 months from the date of purchase;
25 and

26 (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued
27 by the National Highway Traffic Safety Administration for new motor vehicles and new motor ve-
28 hicle equipment.

29 (8) "Repower" means replace the internal combustion engine of a farm tractor as defined
30 in ORS 801.265 with an electric motor or other zero-emission device to convert the farm
31 tractor into an electric farm tractor.

32 (9) "Repowered farm tractor" means a farm tractor as defined in ORS 801.265 that has
33 been repowered.

34 [(7)(a)] (10)(a) "Vehicle dealer" means:

35 (A) A person engaged in business in this state that has been issued a vehicle dealer certificate
36 under ORS 822.020; and

37 (B) A person engaged in business in another state that would be subject to ORS 822.005 if the
38 person engaged in business in this state.

39 (b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for pur-
40 poses of ORS 468.442 to 468.449 to the extent the person:

41 (A) Conducts an event that lasts less than seven consecutive days, for which the public is
42 charged admission and at which otherwise qualifying vehicles are sold at auction; or

43 (B) Sells an otherwise qualifying vehicle at auction at an event described in this paragraph.

44 [(8)] (11) "Zero-emission motorcycle" means a motorcycle that:

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

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

2 (c) Is designed to travel on two wheels; and

3 (d) Is powered by electricity.

4 **SECTION 2.** ORS 468.444 is amended to read:

5 468.444. (1) The Department of Environmental Quality shall establish a program for providing
6 rebates to persons that purchase or lease qualifying vehicles **or electric farm tractors** for use in
7 this state **or that repower a farm tractor for use in this state**. The Director of the Department
8 of Environmental Quality may hire or contract with a third-party organization to implement and
9 serve as the administrator of the program required by this section.

10 (2) The department may:

11 (a) Specify design features for the program; and

12 (b) Establish procedures to:

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

14 (B) Limit the number of rebates available for each type of qualifying vehicle **or electric farm**
15 **tractor, or for repowering farm tractors**.

16 (3) The purchaser or lessee of a qualifying vehicle **or electric farm tractor** may apply for a
17 rebate for a portion of the purchase price or may choose to assign the rebate to a vehicle dealer
18 or lessor.

19 (4) Rebates under the program shall be made from moneys credited to or deposited in the Zero-
20 Emission Incentive Fund established under ORS 468.449. A rebate may not be made until there are
21 sufficient moneys available in the fund to make the rebate.

22 (5) The department shall prescribe the rebate application procedure for purchasers and lessees.
23 All rebate applications must include a declaration under penalty of perjury in the form required by
24 ORCP 1 E.

25 (6) Rebates [*for qualifying vehicles*] shall be set annually by the department as follows:

26 (a) For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an
27 electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but no less than
28 \$1,500.

29 (b) For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an
30 electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but no less than
31 \$750.

32 (c) For neighborhood electric vehicles, up to \$750 but not less than \$375.

33 (d) For zero-emission motorcycles, up to \$750 but not less than \$375.

34 (e) **For electric farm tractors, up to \$2,500 but no more than 10 percent of the purchase**
35 **price of the electric farm tractor**.

36 (f) **For repowering a farm tractor, up to \$2,500 but no more than 10 percent of the cost**
37 **of repowering the farm tractor**.

38 (7) To be eligible for a rebate, a person requesting a rebate under the program shall:

39 (a) Purchase or lease a qualifying vehicle **or electric farm tractor, or repower a farm trac-**
40 **tor**. A lease must have a minimum term of 24 months.

41 (b) Provide proof of an intent to use:

42 (A) The qualifying vehicle primarily on the public highways of this state, which may be satisfied
43 by providing proof of registration of the qualifying vehicle in Oregon; **or**

44 (B) **The electric farm tractor or repowered farm tractor primarily in this state**.

45 (c) Submit an application for a rebate to the administrator of the program within:

1 (A) Six months after the date of purchase of the qualifying vehicle or **farm tractor**;

2 (B) Six months after the date the lease of the qualifying vehicle or **electric farm tractor** be-
3 gins; or

4 (C) **Six months after the repowering of the farm tractor is completed.**

5 (d) Retain registration of [*the*] a qualifying vehicle for a minimum of 24 consecutive months after
6 the date of purchase or the date the lease begins.

7 (8) A rebate recipient may not make or allow any modifications to the [*qualifying*] vehicle's
8 emissions control systems, hardware, software calibrations or hybrid system.

9 (9)(a) If a rebate recipient sells the qualifying vehicle, **electric farm tractor or repowered**
10 **farm tractor**, or terminates the [*qualifying vehicle*] lease before the end of 24 months, the rebate
11 recipient shall:

12 (A) Notify the administrator of the program of the sale or termination; and

13 (B) Reimburse the administrator for the rebate in a prorated amount based on the number of
14 months that the rebate recipient owned or leased the qualifying vehicle, **electric farm tractor or**
15 **repowered farm tractor.**

16 (b) The administrator may waive the reimbursement requirement under paragraph (a) of this
17 subsection if the administrator determines that a waiver is appropriate given unforeseeable or una-
18 voidable circumstances that gave rise to a need for the rebate recipient to sell the qualifying
19 vehicle, **electric farm tractor or repowered farm tractor** or terminate the [*qualifying vehicle*]
20 lease before the end of 24 months.

21 (10) Rebate recipients may be requested to participate in ongoing research efforts.

22 (11) The administrator of the program shall work to ensure timely payment of rebates with a
23 goal of paying rebates within 60 days after receiving an application for a rebate.

24 (12) A vehicle dealer may advertise the program on the premises owned or operated by the ve-
25 hicle dealer. If no moneys are available from the program or the program otherwise changes, a ve-
26 hicle dealer who advertises the program may not be held liable for advertising false or misleading
27 information.

28 (13) The Environmental Quality Commission may adopt any rules necessary to carry out the
29 provisions of this section.

30 **SECTION 3.** ORS 468.446 is amended to read:

31 468.446. (1) As used in this section:

32 (a) "Charge ahead rebate" means a rebate for the purchase or lease of a new or used light-duty
33 zero-emission vehicle, [*or*] plug-in hybrid electric vehicle or **electric farm tractor, or for repow-**
34 **ering a farm tractor**, issued through the Charge Ahead Oregon Program established under this
35 section.

36 (b) "Low-income service provider" means an organization that provides health, dental, social,
37 financial, energy conservation or other assistive services to low or moderate income individuals or
38 low or moderate income households, as further defined by the Environmental Quality Commission
39 by rule.

40 (c) "Qualifying household" means a household with income that does not exceed 400 percent of
41 federal poverty guidelines.

42 (2) The Department of Environmental Quality shall establish a Charge Ahead Oregon Program
43 for providing charge ahead rebates to qualifying households and low-income service providers. The
44 Director of the Department of Environmental Quality may hire or contract with a third-party or-
45 ganization to implement and serve as the administrator of the program required by this section.

- 1 (3) The department may:
- 2 (a) Specify design features for the program; and
- 3 (b) Establish procedures to:
- 4 (A) Prioritize available moneys to specific income levels or geographic areas; and
- 5 (B) Limit the number of charge ahead rebates available.
- 6 (4) An eligible purchaser or lessee of a new or used light-duty zero-emission vehicle, [or] plug-in
- 7 hybrid electric vehicle **or electric farm tractor, or an eligible person who repowers a farm**
- 8 **tractor**, may apply for a charge ahead rebate for a portion of the purchase price **or the cost of**
- 9 **repowering**, or may choose to assign the charge ahead rebate to a vehicle dealer or lessor.
- 10 (5) Rebates under the Charge Ahead Oregon Program shall be made from moneys credited to
- 11 or deposited in the Zero-Emission Incentive Fund established under ORS 468.449. A rebate may not
- 12 be made until there are sufficient moneys available in the fund to make the rebate.
- 13 (6) The department shall prescribe the rebate application procedure for eligible purchasers and
- 14 lessees. All rebate applications must include a declaration under penalty of perjury in the form re-
- 15 quired by ORCP 1 E.
- 16 (7) Charge ahead rebates shall be in an amount:
- 17 (a) Up to \$5,000, but not less than \$2,500 **for a light-duty zero-emission vehicle or a plug-in**
- 18 **hybrid electric vehicle;**
- 19 (b) **Up to \$2,500 but no greater than 10 percent of the purchase price of an electric farm**
- 20 **tractor; and**
- 21 (c) **Up to \$2,500, but no greater than 10 percent of the cost of repowering a farm**
- 22 **tractor.**
- 23 (8) To be eligible for a charge ahead rebate, a person requesting a rebate under the program
- 24 must:
- 25 (a) Be a member of a qualifying household or be a low-income service provider.
- 26 (b) Purchase or lease a new or used light-duty zero-emission vehicle, [or] plug-in hybrid electric
- 27 vehicle **or electric farm tractor, or repower a farm tractor**. A lease must have a minimum term
- 28 of 24 months.
- 29 (c) Provide proof of an intent to use:
- 30 (A) The light-duty zero-emission vehicle or plug-in hybrid electric vehicle primarily on the public
- 31 highways of this state, which may be satisfied by providing proof of registration of the vehicle in
- 32 Oregon; **or**
- 33 (B) **The electric farm tractor or repowered farm tractor primarily in this state.**
- 34 (d) Submit an application for a charge ahead rebate to the administrator of the program within
- 35 six months of the date of purchase, [or] six months from the date the lease begins **or six months**
- 36 **from the date the repowering of the farm tractor is completed.**
- 37 (e) Retain registration of the light-duty zero-emission vehicle for a minimum of 24 consecutive
- 38 months following the date of purchase or following the date the lease begins.
- 39 (9) A person that receives a charge ahead rebate may not make or allow any modifications to
- 40 the vehicle's emissions control systems, hardware, software calibrations or hybrid system.
- 41 (10)(a) If a charge ahead rebate recipient sells the vehicle or terminates the vehicle lease before
- 42 the end of 24 months, the charge ahead rebate recipient shall:
- 43 (A) Notify the administrator of the program of the sale or termination; and
- 44 (B) Reimburse the administrator for the rebate in a prorated amount based on the number of
- 45 months that the rebate recipient owned or leased the [qualifying] vehicle.

1 (b) The administrator may waive the reimbursement requirement under paragraph (a) of this
2 subsection if the administrator determines that a waiver is appropriate given unforeseeable or una-
3 voidable circumstances that gave rise to a need for the rebate recipient to sell the *[qualifying]* ve-
4 hicle or terminate the *[qualifying vehicle]* lease before the end of 24 months.

5 (11) Charge ahead rebate recipients may be requested to participate in ongoing research efforts.

6 (12) The administrator of the program shall work to ensure timely payment of charge ahead re-
7 bates with a goal of paying rebates within 60 days of receiving an application for a charge ahead
8 rebate.

9 (13) In establishing the Charge Ahead Oregon Program, the department shall provide opportu-
10 nities for public comment by qualifying households, low-income service providers and other
11 community-based organizations that are located in areas of this state that have elevated concen-
12 trations of air contaminants attributable to motor vehicle emissions, relative to other areas of the
13 state. The department shall use the comments received pursuant to this subsection to inform, eval-
14 uate and strengthen the design of the program in order to increase the usage of light-duty zero-
15 emission vehicles, *[and]* plug-in hybrid electric vehicles **and electric farm tractors**.

16 (14) The administrator of the program shall, throughout the course of implementing the program,
17 conduct community outreach to qualifying households, low-income service providers and other
18 community-based organizations that are located in areas of this state that have elevated concen-
19 trations of air contaminants attributable to motor vehicle emissions, relative to other areas of the
20 state, in order to:

21 (a) Solicit feedback on program implementation; and

22 (b) Take steps to ensure that the program is promoted effectively.

23 (15) A vehicle dealer may advertise the Charge Ahead Oregon Program on the premises owned
24 or operated by the vehicle dealer. If no moneys are available from the program or the program
25 otherwise changes, a vehicle dealer who advertises the program may not be held liable for adver-
26 tising false or misleading information.

27 (16) A charge ahead rebate may be combined with a rebate described in ORS 468.444.

28 (17) An organization that the department has hired or contracted with to implement and serve
29 as the administrator of the program may offer expanded financing mechanisms for program partic-
30 ipants, including, but not limited to, a loan or loan-loss reserve credit enhancement program to in-
31 crease consumer access to new or used light-duty zero-emission vehicles, *[and]* plug-in hybrid
32 electric vehicles **and electric farm tractors, and to repowering farm tractors**.

33 (18) The Environmental Quality Commission may adopt any rules necessary to carry out the
34 provisions of this section.

35 **SECTION 4. (1) The amendments to ORS 468.442, 468.444 and 468.446 by sections 1 to 3**
36 **of this 2023 Act become operative on January 1, 2024.**

37 **(2) The Department of Environmental Quality and the Environmental Quality Commis-**
38 **sion may take any action before the operative date specified in subsection (1) of this section**
39 **that is necessary for the department and the commission to exercise, on and after the op-**
40 **erative date specified in subsection (1) of this section, all of the duties, functions and powers**
41 **conferred on the department and the commission by the amendments to ORS 468.442, 468.444**
42 **and 468.446 by sections 1 to 3 of this 2023 Act.**

43 **SECTION 5. The amendments to ORS 468.442, 468.444 and 468.446 by sections 1 to 3 of this**
44 **2023 Act apply to electric farm tractors purchased or leased on or after January 1, 2024, and**
45 **to the costs of repowering farm tractors incurred on or after January 1, 2024.**

1 **SECTION 6.** This 2023 Act takes effect on the 91st day after the date on which the 2023
2 regular session of the Eighty-second Legislative Assembly adjourns sine die.
3 _____