

A-Engrossed
House Bill 2714

Ordered by the House April 6
Including House Amendments dated April 6

Sponsored by Representatives HELM, HOLVEY; Representative ANDERSEN (Presession 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.

Directs Department of Environmental Quality to establish program to provide rebates to persons that purchase **or lease** qualifying medium or heavy duty zero-emission vehicles.
Establishes Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund.

A BILL FOR AN ACT

1
2 Relating to zero-emission vehicles.

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

4 **SECTION 1. Sections 2 and 3 of this 2023 Act are added to and made a part of ORS**
5 **chapter 468.**

6 **SECTION 2. (1) As used in this section, "qualifying vehicle" means a motor vehicle, as**
7 **defined in ORS 801.360, or a combination of vehicles operated as a unit, that:**

8 (a) **Has a gross vehicle weight rating of 8,501 pounds or greater;**

9 (b) **Has a drivetrain that produces zero exhaust emissions of any criteria pollutant or**
10 **greenhouse gas; and**

11 (c) **Meets other criteria established by the Environmental Quality Commission by rule.**

12 (2) **The Department of Environmental Quality shall establish a program for providing**
13 **rebates to persons that purchase or lease qualifying vehicles for use in this state. The Di-**
14 **rector of the Department of Environmental Quality may hire or contract with a third-party**
15 **nonprofit organization to implement and serve as the administrator of the program required**
16 **by this section.**

17 (3) **The department may:**

18 (a) **Specify design features for the program; and**

19 (b) **Establish procedures to:**

20 (A) **Prioritize available moneys for specific qualifying vehicles;**

21 (B) **Limit the number of rebates available for each type of qualifying vehicle; and**

22 (C) **Limit the number of rebates available per applicant.**

23 (4) **The purchaser or lessee of a qualifying vehicle may apply for a rebate or may choose**
24 **to assign the rebate to a vehicle dealer.**

25 (5) **Rebates under the program shall be made from moneys credited to or deposited in the**
26 **Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund established under section 3**
27 **of this 2023 Act.**

28 (6)(a) **The department shall prescribe the rebate application procedure for purchasers and**

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 lessees.

2 (b) The department may establish a dealer application or individual application procedure.

3 (c) All rebate applications must include a declaration under penalty of perjury in the
4 form required by ORCP 1 E.

5 (7)(a) Rebates for qualifying vehicles shall be set annually at amounts determined by the
6 Environmental Quality Commission by rule.

7 (b) The commission may establish separate rebate amounts for different classes of vehi-
8 cles.

9 (c) The commission may establish an additional rebate for the purchase or lease of
10 qualifying vehicles that will be registered to an address, or frequently operated, in an area
11 of this state that is disproportionately burdened by air pollution as determined by the com-
12 mission.

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

14 (a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 36
15 months.

16 (b) Provide proof of an intent to operate the qualifying vehicle primarily in this state,
17 which must be satisfied by providing proof of registration of the qualifying vehicle in Oregon,
18 which may include proof of proportional registration under ORS 826.009 or 826.011 issued by
19 the Department of Transportation.

20 (c) Submit an application for a rebate to the administrator of the program within three
21 months after the date of purchase of the qualifying vehicle or three months after the date
22 the lease of the qualifying vehicle begins.

23 (d) Retain registration of the qualifying vehicle for a minimum of 36 consecutive months
24 after the date of purchase or the date the lease begins.

25 (9)(a) More than 50 percent of the operation of the qualifying vehicle must occur in
26 Oregon.

27 (b) In each of the three years following receipt of a rebate, a rebate recipient shall:

28 (A) Maintain records of the miles driven or hours of use for the qualifying vehicle and
29 whether the miles driven or hours used occurred in Oregon; and

30 (B) Provide an annual report to the department to demonstrate that more than 50 per-
31 cent of the miles driven or hours of use of the qualifying vehicle occurred in Oregon.

32 (10) A rebate recipient may not make or allow any modifications to the qualifying
33 vehicle's emissions control systems, hardware or software calibrations.

34 (11)(a) If a rebate recipient sells the qualifying vehicle or terminates the qualifying ve-
35 hicle lease before the end of 36 months, the rebate recipient shall:

36 (A) Notify the administrator of the program of the sale; and

37 (B) Reimburse the administrator for the rebate in a prorated amount based on the
38 number of months that the rebate recipient owned or leased the qualifying vehicle.

39 (b) The administrator may waive the reimbursement requirement under paragraph (a)
40 of this subsection if the administrator determines that a waiver is appropriate given un-
41 foreseeable or unavoidable circumstances that gave rise to a need for the rebate recipient
42 to sell the qualifying vehicle or terminate the qualifying vehicle lease before the end of 36
43 months.

44 (12) Rebate recipients are required to participate in ongoing research efforts, if requested
45 to do so by the administrator.

1 (13) The administrator of the program shall work to ensure timely payment of rebates
2 with a goal of paying rebates within 90 days after receiving an application for a rebate.

3 (14) A vehicle dealer may advertise the program on the premises owned or operated by
4 the vehicle dealer. If no moneys are available from the program or the program otherwise
5 changes, a vehicle dealer who advertises the program may not be held liable for advertising
6 false or misleading information.

7 (15) The department may perform activities necessary to ensure that recipients of re-
8 bates under this section comply with applicable requirements. If the department determines
9 that a recipient has not complied with applicable requirements, the department may order
10 the recipient to refund all rebate moneys and may impose penalties pursuant to ORS 468.140.

11 (16) The commission may adopt any rules necessary to carry out the provisions of this
12 section.

13 **SECTION 3.** (1) The Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund is
14 established in the State Treasury, separate and distinct from the General Fund. Interest
15 earned by the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall be cred-
16 ited to the fund.

17 (2) Moneys in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall
18 consist of:

19 (a) Amounts donated to the fund;

20 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
21 sembly;

22 (c) Other amounts deposited in the fund from any public or private source; and

23 (d) Interest earned by the fund.

24 (3) Moneys in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund are
25 continuously appropriated to the Department of Environmental Quality to be used to carry
26 out the provisions of section 2 of this 2023 Act.

27 (4) No more than 15 percent of the moneys deposited in the Zero-Emission Medium and
28 Heavy Duty Vehicle Incentive Fund per biennium may be expended to pay administrative
29 expenses incurred in the administration of section 2 of this 2023 Act by:

30 (a) The department; or

31 (b) Any third-party organization that the department hires or contracts with under sec-
32 tion 2 of this 2023 Act.

33 (5)(a) The Environmental Quality Commission shall require by rule that at least 40 per-
34 cent of the moneys deposited in the fund per biennium are allocated to fund the provision
35 of rebates for vehicles located in communities disproportionately burdened by diesel pol-
36 lution, as described in section 2 (7)(c) of this 2023 Act.

37 (b) Notwithstanding paragraph (a) of this subsection, if the department determines that
38 the total amount of rebates provided to applicants eligible for the rebate described in section
39 2 (7)(c) of this 2023 Act is unlikely to exceed 40 percent of the total amount of moneys de-
40 posited in the fund during a biennium, the department may release moneys allocated under
41 paragraph (a) of this subsection to be used for the provision of any rebate under section 2
42 of this 2023 Act.

43 **SECTION 4.** In addition to and not in lieu of any other appropriation, there is appropri-
44 ated to the Department of Environmental Quality, for the biennium beginning July 1, 2023,
45 out of the General Fund, the amount of \$15,000,000, for deposit into the Zero-Emission Me-

1 **dium and Heavy Duty Vehicle Incentive Fund established under section 3 of this 2023 Act.**

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