On page 1 of the printed bill, delete lines 4 through 31.
Delete pages 2 and 3 and insert:

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

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

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

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

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

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

“(3) The department may:

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

“(b) Establish procedures to:

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

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

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

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

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

“(6)(a) The department shall prescribe the rebate application procedure for purchasers and lessees.

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

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

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

“(b) The commission may establish separate rebate amounts for different classes of ve-
hicles.

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

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

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

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

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

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

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

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

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

“(B) Provide an annual report to the department to demonstrate that more than 50 percent of the miles driven or hours of use of the qualifying vehicle occurred in Oregon.

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

“(11)(a) If a rebate recipient sells the qualifying vehicle or terminates the qualifying vehicle lease before the end of 36 months, the rebate recipient shall:

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

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

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

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

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

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

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

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

“SECTION 3. (1) The Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall be credited to the fund.

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

“(a) Amounts donated to the fund;

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

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

“(d) Interest earned by the fund.

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

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

“(a) The department; or

“(b) Any third-party organization that the department hires or contracts with under section 2 of this 2023 Act.

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

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

“SECTION 4. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Environmental Quality, for the biennium beginning July 1, 2023, out of the General Fund, the amount of $15,000,000, for deposit into the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund established under section 3 of this 2023 Act.”.