

House Bill 4129

Sponsored by Representative BOSHART DAVIS (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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act caps low carbon fuel standards at a ten percent reduction and stops local governments from banning large fuel tanks. (Flesch Readability Score: 64.6).

Limits greenhouse gas emission reductions, for purposes of low carbon fuel standards, to 10 percent below 2010 levels.

Prohibits local governments from prohibiting or limiting the storage capacity of fossil fuel terminals.

Takes effect on the 91st day following adjournment sine die.

1 A BILL FOR AN ACT

2 Relating to fuel; creating new provisions; amending ORS 468A.266; and prescribing an effective date.

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

5 LOW CARBON FUEL STANDARDS

7 **SECTION 1.** ORS 468A.266 is amended to read:

8 468A.266. (1) The Environmental Quality Commission, by rule:

9 (a) Shall adopt low carbon fuel standards for gasoline, diesel and fuels used as substitutes or
10 alternatives for gasoline or diesel; and

11 (b) Shall adopt a clean fuels program for facilitating compliance with the low carbon fuel stan-
12 dards and for managing and containing the costs of compliance with the low carbon fuel standards,
13 in accordance with the requirements of ORS 468A.265 to 468A.277.

14 (2) The commission may adopt rules related to the low carbon fuel standards, including but not
15 limited to:

16 (a) A schedule to phase in implementation of the standards in a manner that reduces the average
17 amount of greenhouse gas emissions per unit of fuel energy of the fuels by **no more than** 10 percent
18 below 2010 levels [*by the year 2025 or by a later date if the commission determines that an extension*
19 *is appropriate to implement the low carbon fuel standards*];

20 (b) Standards for greenhouse gas emissions attributable to the fuels throughout the lifecycles
21 of the fuels, including but not limited to emissions from the production, storage, transportation and
22 combustion of the fuels and from changes in land use associated with the fuels;

23 (c) Provisions allowing the use of all types of low carbon fuels to meet the low carbon fuel
24 standards, including but not limited to biofuels, biogas, natural gas, liquefied petroleum gas, gaso-
25 line, diesel, hydrogen and electricity;

26 (d) Exemptions for fuels that are used in volumes below thresholds established by the commis-
27 sion;

28 (e) Standards, specifications, testing requirements and other measures as needed to ensure the

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 quality of fuels produced in accordance with the low carbon fuel standards, including but not limited
2 to the requirements of ORS 646.910 to 646.923 and administrative rules adopted by the State De-
3 partment of Agriculture for motor fuel quality; and

4 (f) Adjustments to the amounts of greenhouse gas emissions per unit of fuel energy assigned to
5 fuels for combustion and drive train efficiency.

6 (3) Before adopting low carbon fuel standards under this section, the commission shall consider
7 the low carbon fuel standards of other states for the purpose of determining schedules and goals for
8 the reduction of the average amount of greenhouse gas emissions per unit of fuel energy and the
9 default values for these reductions for applicable fuels.

10 (4) The commission shall exempt from the low carbon fuel standards any person who imports in
11 a calendar year less than 500,000 gallons of gasoline and diesel fuel, in total. Any fuel imported by
12 persons that are related or share common ownership or control shall be aggregated together to de-
13 termine whether a person is exempt under this subsection.

14 (5) In adopting rules under this section, the commission shall evaluate:

15 (a) Safety, feasibility, net reduction of greenhouse gas emissions and cost-effectiveness;
16 (b) Potential adverse impacts to public health and the environment, including but not limited to
17 air quality, water quality and the generation and disposal of waste in this state;
18 (c) Flexible implementation approaches to minimize compliance costs; and
19 (d) Technical and economic studies of comparable greenhouse gas emissions reduction measures
20 implemented in other states and any other studies as determined by the commission.

22 FOSSIL FUEL TERMINALS

24 **SECTION 2. Section 3 of this 2026 Act is added to and made a part of ORS chapter 197.**

25 **SECTION 3. Notwithstanding statewide land use planning goals related to natural haz-**
26 **ards or energy conservation, within lands zoned for industrial uses and that allow for rail-**
27 **road yards, marine docks or the storing, transfer or transportation of solid, liquid or**
28 **hazardous waste, a local government may not:**

29 (1) Prohibit fossil fuel terminals engaged in the transport or bulk storage of fossil fuels;
30 (2) Limit fossil fuel storage capacity in a manner more restrictive than the storage ca-
31 pacity of other storage facilities; or

32 (3) Enact any ordinances, resolutions or land use regulations that would have the effect,
33 either individually or cumulatively, of discouraging the development of uses allowed under
34 subsections (1) and (2) of this section.

35 **SECTION 4. Section 3 of this 2026 Act applies to ordinances, resolutions or land use**
36 **regulations adopted before, on or after the effective date of this 2026 Act.**

38 CAPTIONS AND EFFECTIVE DATE

40 **SECTION 5. The unit captions used in this 2026 Act are provided only for the convenience**
41 **of the reader and do not become part of the statutory law of this state or express any leg-**
42 **islative intent in the enactment of this 2026 Act.**

43 **SECTION 6. This 2026 Act takes effect on the 91st day after the date on which the 2026**
44 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**