HB 4003 -1, -2, -3 STAFF MEASURE SUMMARY

House Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst **Meeting Dates:** 2/9

WHAT THE MEASURE DOES:

Specifies requirements for certain public contracts, adoption of indirect source review program rules, registration requirements for nonroad diesel engines; directs adoption of diesel engine emission standards for specific on-road vehicles and nonroad engines; authorizes additional grant awards from the Environmental Mitigation Trust Agreement; and repeals state preemption of local regulation of idling by primary engines in commercial vehicles. Specifies operative date for certain sections. Effective July 1, 2018.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Changes environmental justice communities to mean communities of color and environmentally over-burdened, underserved, and low-income communities.

-2 Specifies new grants from the Environmental Mitigation Trust Agreement be allocated to reduce nitrogen oxides emissions from diesel engines operated in environmental justice communities or communities of color.

-3 Includes a portion of financial assistance from the Environmental Mitigation Trust Agreement for applicants that are businesses owned by women or by members of minority groups.

BACKGROUND:

Diesel engines provide power to vehicles, heavy equipment, and other types of machinery used in several industries throughout Oregon and the United States. The U.S. Environmental Protection Agency (EPA) estimated 10.3 million older diesel engines have remained in use in 2016. Exhaust from diesel engine combustion contains a mixture of gases and very small particles: diesel particulate matter and diesel soot particles. These may cause health effects when an individual is exposed to high concentrations or with prolonged exposure. Currently, there are specific EPA regulations for on-road vehicles (passenger, commercial trucks, buses, motorcycles) and off-road vehicles (aircraft, heavy equipment, locomotive, marine, recreational vehicle, small equipment).

HB 4003 specifies a number of requirements for diesel engines and diesel engine emissions. The bill specifies requirements for certain public contracts and contracting agencies to reserve at least one percent of the total contract price for performing qualified replacements, repowers, or retrofits as described in state law. The measure also requires the Environmental Quality Commission (Commission) to adopt by rule an indirect source review program to examine indirect sources of air contaminants in facilities, buildings, structures, installations, real property, roads, or highways.

The measure prohibits individuals from operating a nonroad diesel engine in Oregon unless the engine has been registered with the Department of Environmental Quality with exemptions for farm vehicles, farm tractors, implements of husbandry, and motor trucks transporting logs.

The Commission is required by rule to establish diesel engine emission standards for medium-duty and heavy-duty trucks with specified engine requirements and certain exemptions for farm vehicles and equipment. Additionally, the

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Commission is required to adopt nonroad diesel engine emission standards by rule. The measure authorizes additional grants from the Environmental Mitigation Trust Agreement to be funded for specified categories of motor vehicles powered by diesel engines. State preemption of local regulation of idling by primary engines in commercial vehicles is repealed.