

Requested by Representative POWER

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2007**

1 On page 1 of the printed bill, line 2, after “ORS” insert “468.140,”.  
2 In line 3, delete “; repealing ORS 825.615” and insert “, 803.045, 815.095,  
3 815.305, 815.315, 815.320 and 815.325”.  
4 Delete lines 5 through 21 and delete pages 2 through 9 and insert:

5  
6 **“USES OF ENVIRONMENTAL MITIGATION TRUST AGREEMENT**  
7 **MONEYS**

8  
9 **“SECTION 1.** ORS 468A.795 is amended to read:

10 “468A.795. As used in ORS 468A.795 to 468A.807 **and sections 7 and 15**  
11 **of this 2019 Act:**

12 “(1) ‘Alternative fuel’ means biofuels, biogas, natural gas, liquefied pe-  
13 troleum gas, hydrogen and electricity.

14 “(2) ‘Best available exhaust control technology’ means the most effective  
15 exhaust controls to reduce diesel particulate that rely on passively regener-  
16 ated diesel particulate control technology supported in a vehicle’s normal  
17 duty cycle.

18 “[~~(3)~~ ‘*Combined weight*’ has the meaning given that term in ORS 825.005.]

19 “[~~(4)~~] **(3)** ‘Cost-effectiveness threshold’ means the cost, in dollars, per ton  
20 of diesel particulate matter reduced, as established by rule of the Environ-  
21 mental Quality Commission.

1 “[(5)] (4) ‘Diesel engine’ means a compression ignition engine.

2 “[(6)] (5) ‘Environmental Mitigation Trust Agreement’ means the **fully**  
3 **executed** Environmental Mitigation Trust Agreement **for State Benefici-**  
4 **aries effective October 2, 2017, and issued pursuant to Paragraph 17**  
5 **of [required by] the Volkswagen ‘Clean Diesel’ Marketing, Sales Practices**  
6 **and Products Liability Litigation partial consent decree dated October 25,**  
7 **2016.**

8 “[(7)] (6) ‘Equivalent equipment’ means a piece of equipment that per-  
9 forms the same function and has the equivalent horsepower to a piece of  
10 equipment subject to a replacement.

11 “[(8)] (7) ‘Equivalent motor vehicle’ means a motor vehicle that performs  
12 the same function and is in the same weight class as a motor vehicle subject  
13 to a replacement.

14 “[(9)] (8) ‘Heavy-duty truck’ means a motor vehicle or combination of ve-  
15 hicles operated as a unit that has a [*combined weight*] **registration weight**  
16 that is greater than 26,000 pounds.

17 “[(10)] (9) ‘Incremental cost’ means the cost of a qualifying repower or  
18 retrofit less a baseline cost that would otherwise be incurred in the normal  
19 course of business.

20 “[(11)] (10) ‘Medium-duty truck’ means a motor vehicle or combination of  
21 vehicles operated as a unit that has a [*combined weight*] **registration weight**  
22 that is greater than 14,000 pounds but less than or equal to 26,000 pounds.

23 “[(12)] (11) ‘Motor vehicle’ has the meaning given that term in ORS  
24 825.005.

25 “[(13)] (12) ‘Nonroad diesel engine’ means a diesel engine of 25 horse-  
26 power or more that is not designed primarily to propel a motor vehicle on  
27 public highways.

28 “[(14)] ‘Oregon diesel engine’ means an engine at least 50 percent of the use  
29 of which, as measured by miles driven or hours operated, will occur in Oregon  
30 for the three years following the repowering or retrofitting of the engine.]

1 “[(15)] (13) ‘Oregon diesel truck engine’ means a diesel engine in a truck  
2 at least 50 percent of the use of which, as measured by miles driven or hours  
3 operated, has occurred in Oregon for the two years preceding the scrapping  
4 of the engine.

5 “[(16)] (14) ‘Public highway’ has the meaning given that term in ORS  
6 825.005.

7 “(15) ‘Registration weight’ has the meaning given that term in ORS  
8 801.420.

9 “[(17)(a)] (16)(a) ‘Replacement’ means:

10 “(A) To scrap a motor vehicle powered by a diesel engine and replace the  
11 motor vehicle with an equivalent motor vehicle; or

12 “(B) To scrap a piece of equipment powered by a nonroad diesel engine  
13 and replace the equipment with equivalent equipment.

14 “(b) ‘Replacement’ does not mean ordinary maintenance, repair or re-  
15 placement of a diesel engine.

16 “[(18)] (17) ‘Repower’ means to scrap an old diesel engine and substitute  
17 it with a new engine, a used engine or a remanufactured engine, or with  
18 electric motors, drives or fuel cells, with a minimum useful life of seven  
19 years.

20 “[(19)] (18) ‘Retrofit’ means to equip a diesel engine with new emissions-  
21 reducing parts or technology after the manufacture of the original engine.  
22 A retrofit must use the greatest degree of emissions reduction available for  
23 the particular application of the equipment retrofitted that meets the cost-  
24 effectiveness threshold.

25 “[(20)] (19) ‘Scrap’ means to destroy, render inoperable and recycle.

26 “[(21)] (20) ‘Truck’ means a motor vehicle or combination of vehicles op-  
27 erated as a unit that has a [*combined weight*] **registration weight** that is  
28 greater than 14,000 pounds.

29 “**SECTION 2.** ORS 468A.805 is amended to read:

30 “468A.805. (1) Subject to and consistent with ORS 468A.803 (8) and with

1 the terms of the Environmental Mitigation Trust Agreement, any moneys  
2 received by the State of Oregon pursuant to the agreement that are deposited  
3 in the Clean Diesel Engine Fund under ORS 468A.801 must *[be used by the*  
4 *Department of Environmental Quality to award grants for the purpose of re-*  
5 *ducing nitrogen oxides emissions from diesel engines.]*

6 “*[(2)(a) To the extent authorized by the agreement, the department shall*  
7 *allocate moneys awarded pursuant to subsection (1) of this section first to]* **be**  
8 **expended by the Department of Environmental Quality as follows:**

9 “**(a) The department shall** award grants to owners and operators of  
10 school buses to reduce emissions from at least 450 school buses powered by  
11 diesel engines operating in this state.

12 “**(b) Moneys not expended under paragraph (a) of this subsection**  
13 **must be:**

14 “**(A) Awarded as grants for the purpose of reducing emissions from**  
15 **diesel engines; or**

16 “**(B) Utilized by the department as the State of Oregon’s voluntary**  
17 **matching funds under the Diesel Emissions Reduction Act Program in**  
18 **the Energy Policy Act of 2005, 42 U.S.C. 16133, and for the purpose of**  
19 **awarding grants for reducing diesel particulate matter emissions from**  
20 **diesel engines.**

21 “[*(b)*] **(2)(a)** In awarding grants under [*this subsection*] **subsection (1)(a)**  
22 **of this section**, the department shall begin by awarding grants to owners  
23 and operators of school buses powered by diesel engines that are of the me-  
24 dian model year of school buses powered by diesel engines operating in this  
25 state, and shall proceed to award grants for school buses powered by diesel  
26 engines through the adjoining model years until the requirements of [*para-*  
27 *graph (a) of this subsection*] **subsection (1)(a) of this section** are met. A  
28 grant may be awarded under [*this subsection*] **subsection (1)(a) of this**  
29 **section** for any school bus powered by a diesel engine within the control of  
30 an owner or operator that meets the following conditions:

1       “(A) The school bus has at least three years of remaining useful life;

2       “(B) Use of the school bus has occurred in Oregon during the year pre-  
3 ceding the date of the grant; and

4       “(C) For the three years following receipt of a grant award, use of the  
5 school bus to which the owner or operator applies the grant will occur in  
6 Oregon.

7       “~~[(c)]~~ **(b)** The grant amount per school bus awarded under *[this*  
8 *paragraph]* **subsection (1)(a) of this section** shall be for:

9       “(A) \$50,000 or 30 percent of the cost to purchase a school bus that meets  
10 minimum standards adopted by the State Board of Education under ORS  
11 820.100 for the applicable class or type of school bus, whichever is less; or

12       “(B) Up to 100 percent of the cost to retrofit a school bus with  
13 emissions-reducing parts or technology that results in a reduction of diesel  
14 particulate matter emissions by at least 85 percent when compared with the  
15 baseline emissions for the relevant engine year and application.

16       “~~[(3) Except for awarding grants pursuant to subsection (2) of this section,~~  
17 ~~the department may not award grants from the moneys described under sub-~~  
18 ~~section (1) of this section without prior approval by the Legislative Assembly~~  
19 ~~by law.]~~

20       “**(3) In awarding grants pursuant to subsection (1)(b) of this section,**  
21 **the department shall give preference to projects that will:**

22       “**(a) Support compliance with section 4 of this 2019 Act or with**  
23 **contract specifications or preferences related to emissions standards**  
24 **for diesel engines established by a public body, as defined in ORS**  
25 **174.109;**

26       “**(b) Be carried out by a grant applicant that is a disadvantaged**  
27 **business enterprise, a minority-owned business, a woman-owned busi-**  
28 **ness, a business that a service-disabled veteran owns or an emerging**  
29 **small business, as those terms are defined in ORS 200.005;**

30       “**(c) Involve the replacement, repower or retrofit of one or more**

1 motor vehicles or pieces of equipment that have at least three years  
2 of remaining useful life at the time that the grant agreement is exe-  
3 cuted;

4 “(d) Support the utilization of fuels for which regulated parties may  
5 generate credits under the clean fuels program adopted by rule by the  
6 Environmental Quality Commission under ORS 468A.266 (1)(b);

7 “(e) Benefit small fleets; or

8 “(f) Meet the criteria of any other preferences that the commission  
9 may establish by rule, if the department determines that the addi-  
10 tional preferences are necessary to ensure that grant awards result in  
11 the reduction of emissions from diesel engines.

12 “(4) The commission may adopt rules as necessary to implement the  
13 provisions of this section.

14

15 “**TITLING AND REGISTRATION OF CERTAIN VEHICLES; DIESEL**  
16 **ENGINE REQUIREMENTS**

17

18 “**SECTION 3.** Sections 4 and 5 of this 2019 Act are added to and  
19 made a part of the Oregon Vehicle Code.

20 “**SECTION 4.** (1) As used in this section and section 5 of this 2019  
21 Act:

22 “(a) ‘Diesel engine’ has the meaning given that term in ORS  
23 468A.795.

24 “(b) ‘Heavy-duty truck’ has the meaning given that term in ORS  
25 468A.795.

26 “(c) ‘Medium-duty truck’ has the meaning given that term in ORS  
27 468A.795.

28 “(d) ‘Public body’ has the meaning given that term in ORS 174.109.

29 “(2) On and after January 1, 2025, the Department of Transportation  
30 may not issue a certificate of title for the following motor vehicles:

1       “(a) A medium-duty truck powered by a model year 2009 or older  
2 diesel engine.

3       “(b) A heavy-duty truck powered by a model year 2006 or older die-  
4 sel engine.

5       “(3) The department may not issue registration or renewal of reg-  
6 istration on and after the following dates for the following motor ve-  
7 hicles if the address of the owner of the motor vehicle is located within  
8 Multnomah, Clackamas or Washington County:

9       “(a) January 1, 2023, for a medium-duty truck or a heavy-duty truck  
10 if the motor vehicle is powered by a model year 1996 or older diesel  
11 engine.

12       “(b) January 1, 2029, for:

13       “(A) A medium-duty truck powered by a model year 2009 or older  
14 diesel engine.

15       “(B) A heavy-duty truck powered by a model year 2009 or older  
16 diesel engine owned by a public body.

17       “(C) A heavy-duty truck powered by a model year 2006 or older  
18 diesel engine owned by a person other than a public body.

19       “(4) Notwithstanding subsections (2) and (3) of this section, the de-  
20 partment may issue a certificate of title, issue registration or issue  
21 renewal of registration for a motor vehicle described in subsection (2)  
22 or (3) of this section after a date described in subsection (2) or (3) of  
23 this section if:

24       “(a) The diesel engine that powers the motor vehicle has been  
25 retrofitted with approved retrofit technology pursuant to rules adopted  
26 by the Environmental Quality Commission under section 7 of this 2019  
27 Act; and

28       “(b) Proof of certification of the retrofit has been issued under  
29 section 7 of this 2019 Act.

30       “(5) The following motor vehicles are exempt from the requirements

1 of this section:

2 “(a) Motor vehicles registered as farm vehicles under the provisions  
3 of ORS 805.300.

4 “(b) Farm tractors.

5 “(c) Implements of husbandry.

6 “(d) Motor vehicles used exclusively as training vehicles.

7 “(e) Emergency vehicles.

8 “(f) Ambulances.

9 “(g) Campers.

10 “(h) Motor homes.

11 “(i) Recreational vehicles.

12 “(j) Heavy-duty trucks operated for 5,000 miles or fewer on high-  
13 ways of this state during one calendar year.

14 “(k) Antique vehicles.

15 “(6)(a) In order for registration to continue to be valid for a motor  
16 vehicle that is owned by a public body and subject to subsection (3)  
17 of this section, the public body shall, in a manner determined by the  
18 department by rule, submit proof to the department that the motor  
19 vehicle complies with subsection (3) of this section. Proof of compli-  
20 ance must be on a form supplied by the department and must include  
21 such information as the department may require. Proof of compliance  
22 for a motor vehicle owned by a public body is valid until the ownership  
23 of the vehicle changes.

24 “(b) The department shall provide notice to a public body of the  
25 requirement under this subsection to submit proof of compliance with  
26 subsection (3) of this section. The notice shall be issued to the public  
27 body no later than one year prior to the date that the proof of com-  
28 pliance must be submitted to the department.

29 “(7) The department may adopt rules as necessary to administer  
30 this section.



1       **“SECTION 5. (1) No later than September 15 of each year, the De-**  
2 **partment of Transportation shall submit a report in the manner pro-**  
3 **vided by ORS 192.245 to the interim committees of the Legislative**  
4 **Assembly related to transportation and the environment on the regis-**  
5 **tration of medium-duty trucks and heavy-duty trucks in this state.**  
6 **The purposes of the report shall be to identify and address trends in**  
7 **the registration of medium-duty trucks and heavy-duty trucks in this**  
8 **state over time and to identify any effects that the requirements of**  
9 **section 4 of this 2019 Act may have on the trends in registration.**

10       **“(2) The report shall include information on:**

11       **“(a) The number of medium-duty trucks and heavy-duty trucks**  
12 **registered in each county in this state; and**

13       **“(b) The number of medium-duty trucks and heavy-duty trucks**  
14 **registered in this state that are motor vehicles described in section 4**  
15 **(5) of this 2019 Act.**

16       **“SECTION 6. Section 7 of this 2019 Act is added to and made a part**  
17 **of ORS chapter 468A.**

18       **“SECTION 7. (1) The Environmental Quality Commission shall**  
19 **adopt by rule criteria for certification of approved retrofit technologies**  
20 **for the retrofit of a diesel engine that powers a medium-duty truck**  
21 **or a heavy-duty truck. In determining the criteria and approved**  
22 **retrofit technologies, the commission shall consider:**

23       **“(a) Regulations adopted by the State of California for reducing**  
24 **diesel engine emissions from in-use medium-duty trucks and heavy-**  
25 **duty trucks; and**

26       **“(b) The list of technologies approved as qualifying retrofits in-**  
27 **cluded in the standards established by the commission under ORS**  
28 **468A.799.**

29       **“(2) The commission shall prescribe by rule the manner for issuing**  
30 **certification that a diesel engine has been retrofitted with approved**

1 **retrofit technology in compliance with the criteria adopted by rule**  
2 **under subsection (1) of this section.**

3 **“(3) When proof of certification that a diesel engine has been**  
4 **retrofitted with approved retrofit technology is required under section**  
5 **4 of this 2019 Act, the proof may be provided by any means that the**  
6 **Department of Transportation and the commission determine by joint**  
7 **rulemaking or by interagency agreement to be satisfactory. Proof of**  
8 **certification may include, but need not be limited to, a certificate of**  
9 **compliance.**

10 **“SECTION 8.** ORS 803.045 is amended to read:

11 **“803.045. (1) The Department of Transportation shall issue title for a ve-**  
12 **hicle if the applicant and the vehicle meet the following qualifications:**

13 **“(a) The applicant must satisfy the department that the applicant is the**  
14 **owner of the vehicle and is otherwise entitled to have title issued in the**  
15 **applicant’s name.**

16 **“(b) Except as otherwise provided in ORS 803.050 (2), the applicant must**  
17 **submit a completed and signed application for title described in ORS 803.050.**

18 **“(c) The applicant must pay the fee for issuance of a certificate of title**  
19 **under ORS 803.090 or the fee for issuance of title in another form, as estab-**  
20 **lished by the department by rule in accordance with ORS 803.012.**

21 **“(d) If the vehicle is a reconstructed vehicle or an assembled vehicle, the**  
22 **applicant must provide the following information in addition to any other**  
23 **information required under this section:**

24 **“(A) The certificate of title last issued for the frame of the vehicle, a**  
25 **salvage title certificate issued for the vehicle or other evidence of ownership**  
26 **satisfactory to the department.**

27 **“(B) Bills of sale for major components used to build the vehicle.**

28 **“(e) If the vehicle is covered by an Oregon title or salvage title certif-**  
29 **icate, the applicant shall surrender the Oregon title or salvage title certif-**  
30 **icate, submit an application as provided under ORS 803.065 or submit other**

1 evidence of ownership satisfactory to the department.

2 “(f) Unless the department adopts rules to the contrary, if the vehicle is  
3 from another jurisdiction, the applicant shall surrender to the department  
4 with the application the certificate of title issued by the other jurisdiction,  
5 if such jurisdiction requires certificates of title. If such jurisdiction does not  
6 require certificates of title, then the applicant shall surrender the registra-  
7 tion cards.

8 “(g) If required by the department, the applicant must submit proof of  
9 ownership as described under ORS 803.205.

10 “(h) Other than a racing activity vehicle as defined in ORS 801.404, if the  
11 department has reason to believe a vehicle was not certified by the original  
12 manufacturer as conforming to federal vehicle standards, the department may  
13 require the applicant to provide proof satisfactory to the department that the  
14 vehicle conforms to federal vehicle standards.

15 “(i) Unless the vehicle is exempted from odometer disclosure require-  
16 ments, the applicant shall submit an appropriate odometer disclosure form.  
17 The department shall determine what constitutes an appropriate form in any  
18 particular situation. The department may make exceptions by rule to the  
19 requirement for submission of an odometer disclosure form.

20 “(2)[(a)] The department may not issue title for a vehicle:

21 “[A] (a) Required by ORS 803.210 to be inspected unless the vehicle has  
22 been inspected as described in ORS 803.212 and the inspection fee paid under  
23 ORS 803.215.

24 “[B] (b) If the current vehicle title, certificate or ownership document  
25 is a junk title, junk certificate or similar ownership document issued by an-  
26 other jurisdiction, or has a junk or similar brand or notation.

27 “(c) **As prescribed in section 4 of this 2019 Act.**

28 “[b] (3) The department may adopt any rules it considers necessary for  
29 the administration of [this] subsection (2)(a) and (b) of this section.

30 “**SECTION 9.** ORS 815.095 is amended to read:

1 “815.095. (1) A person commits the offense of making unlawful sales of,  
2 installations of or representations concerning vehicle pollution control sys-  
3 tems if the person does any of the following:

4 “(a) Sells, displays, advertises or represents as a certified system any  
5 motor vehicle pollution control system that is not certified under ORS  
6 468A.365.

7 “**(b) Sells, displays, advertises or represents as an approved retrofit**  
8 **technology any retrofit technology that is not approved under section**  
9 **7 of this 2019 Act.**

10 “[~~(b)~~] (c) Installs or sells for installation upon a motor vehicle any motor  
11 vehicle pollution control system for which a certificate of approval has not  
12 been issued under ORS 468A.365.

13 “(2) The offense described in this section, making unlawful sales, instal-  
14 lations or representations concerning vehicle pollution control systems, is a  
15 Class A misdemeanor but each day of violation does not constitute a separate  
16 offense.

17 “**SECTION 10.** ORS 815.305 is amended to read:

18 “815.305. (1) A person commits the offense of unlawful disconnection or  
19 alteration of pollution control equipment if the person does any of the fol-  
20 lowing:

21 “(a) Disconnects or permits to be disconnected a factory installed motor  
22 vehicle air pollution control device or a factory-installed system, as defined  
23 in ORS 468A.350, or knowingly and willfully permits such device or factory-  
24 installed system to become or remain inoperative.

25 “(b) Modifies or alters a certified system or factory-installed system, as  
26 defined in ORS 468A.350, in a manner that decreases its efficiency or effec-  
27 tiveness in the control of air pollution.

28 “**(c) Modifies or alters an installed, approved retrofit technology for**  
29 **which proof of certification has been issued under section 7 of this 2019**  
30 **Act in a manner that decreases its efficiency or effectiveness in the**

1 **control of air pollution.**

2 “(2) The following exemptions to this section are established:

3 “(a) This section does not apply when factory-installed motor vehicle air  
4 pollution control equipment, systems or devices are disconnected for the  
5 purpose of conversion to gaseous fuels including, but not limited to, liquefied  
6 petroleum gases and natural gases in liquefied or gaseous form.

7 “(b) This section is not intended to prohibit the use of replacement, con-  
8 version, turbocharger or other alternative components in a certified or  
9 factory-installed system if the components do not significantly affect the ef-  
10 ficiency or effectiveness of the system in controlling air pollution.

11 “(3) The offense described in this section, unlawful disconnection or al-  
12 teration of pollution control equipment, is a Class A misdemeanor, but each  
13 day of violation does not constitute a separate offense.

14 **“SECTION 11.** ORS 815.315 is amended to read:

15 “815.315. (1) A person commits the offense of use of improper certificate  
16 for pollution control system if the person makes, issues or knowingly uses  
17 any imitation or counterfeit of a certificate of compliance described under  
18 ORS 815.310 **or section 7 of this 2019 Act.**

19 “(2) The offense described in this section, use of improper certificate for  
20 pollution control system, is a Class B traffic violation, but each day of vio-  
21 lation does not constitute a separate offense.

22 **“SECTION 12.** ORS 815.320 is amended to read:

23 “815.320. (1) A person commits the offense of unlawful certification of  
24 compliance with pollution control requirements if the person does any of the  
25 following:

26 “(a) Falsely certifies that a motor vehicle is equipped with a functioning  
27 certified system, as defined in ORS 468A.350, or that the motor vehicle com-  
28 plies with the rules and standards adopted by the Environmental Quality  
29 Commission under ORS 468A.360.

30 “(b) Falsifies any information on the certificate of compliance described

1 under ORS 815.310.

2 **“(c) Falsely certifies that a diesel engine has been retrofitted with**  
3 **approved retrofit technology under section 7 of this 2019 Act.**

4 **“(d) Falsifies any information on the certificate of compliance de-**  
5 **scribed under section 7 of this 2019 Act.**

6 “[c)] (e) With a purpose to defraud or with intent, causes registration  
7 of a motor vehicle that would not otherwise be eligible for registration be-  
8 cause of its failure to comply with:

9 **“(A) Rules and standards adopted by the Environmental Quality Com-**  
10 **mission under ORS 468A.360; or**

11 **“(B) Section 4 of this 2019 Act.**

12 **“(2) The offense described in this section, unlawful certification of com-**  
13 **pliance with pollution control requirements, is a Class A misdemeanor, but**  
14 **each day of violation does not constitute a separate offense.**

15 **“SECTION 13. ORS 815.325 is amended to read:**

16 **“815.325. (1) A person commits the offense of unlawfully requiring repair**  
17 **for certification with pollution control requirements if the person requires**  
18 **as a condition of the issuance of a certification of compliance described un-**  
19 **der ORS 815.310 or proof of certification described under section 7 of**  
20 **this 2019 Act any repairs or services unnecessary for compliance with sec-**  
21 **tion 4 of this 2019 Act or with rules or standards adopted under ORS**  
22 **468A.350, 468A.355, 468A.365 and 468A.385.**

23 **“(2) The offense described in this section, unlawfully requiring repair for**  
24 **certification of compliance with pollution control requirements, is a Class**  
25 **A misdemeanor, but each day of violation does not constitute a separate of-**  
26 **fense.**

27

28 **“VOLUNTARY EMISSIONS CONTROL LABEL PROGRAM**

29

30 **“SECTION 14. Section 15 of this 2019 Act is added to and made a**

1 part of ORS chapter 468A.

2 **“SECTION 15. (1) The Environmental Quality Commission shall**  
3 **adopt by rule a program allowing for an owner or operator of a piece**  
4 **of construction equipment powered by a nonroad diesel engine and**  
5 **operated in Oregon to voluntarily demonstrate to the Department of**  
6 **Environmental Quality the emissions profile of the nonroad diesel en-**  
7 **gine powering the equipment, and to receive and display an emission**  
8 **control label on the piece of construction equipment.**

9 **“(2) The department may contract with an independent third-party**  
10 **to implement the program described in subsection (1) of this section.**

11 **“(3) The commission may establish by rule a schedule of fees for**  
12 **participation in the program developed under this section. The fees**  
13 **established under this section shall be based upon the costs of the de-**  
14 **partment in carrying out the program.**

15 **“(4) The fees collected under subsection (3) of this section shall be**  
16 **deposited into the State Treasury to the credit of an account of the**  
17 **department and are continuously appropriated to the department for**  
18 **payment of the costs of the department in carrying out the provisions**  
19 **of this section.**

20

21 **“MOTOR VEHICLE EMISSIONS STANDARDS; CIVIL PENALTIES**

22

23 **“SECTION 16. ORS 468.140 is amended to read:**

24 **“468.140. (1) In addition to any other penalty provided by law, any person**  
25 **who violates any of the following shall incur a civil penalty for each day**  
26 **of violation in the amount prescribed by the schedule adopted under ORS**  
27 **468.130:**

28 **“(a) The terms or conditions of any permit required or authorized by law**  
29 **and issued by the Department of Environmental Quality or a regional air**  
30 **quality control authority.**

1 “(b) Any provision of ORS 164.785, 448.305, 454.010 to 454.040, 454.205 to  
2 454.255, 454.505 to 454.535, 454.605 to 454.755 and 783.625 to 783.640 and ORS  
3 chapter 467 and ORS chapters 468, 468A and 468B.

4 “(c) Any rule or standard or order of the Environmental Quality Com-  
5 mission adopted or issued pursuant to ORS 448.305, 454.010 to 454.040, 454.205  
6 to 454.255, 454.505 to 454.535, 454.605 to 454.755 and 783.625 to 783.640 and  
7 ORS chapter 467 and ORS chapters 468, 468A and 468B.

8 “(d) Any term or condition of a variance granted by the commission or  
9 department pursuant to ORS 467.060.

10 “(e) Any rule or standard or order of a regional authority adopted or is-  
11 sued under authority of ORS 468A.135.

12 “(f) The financial assurance requirement under ORS 468B.390 and  
13 468B.485 or any rule related to the financial assurance requirement under  
14 ORS 468B.390.

15 “(2) Each day of violation under subsection (1) of this section constitutes  
16 a separate offense.

17 “(3)(a) In addition to any other penalty provided by law, any person who  
18 intentionally or negligently causes or permits the discharge of oil or haz-  
19 ardous material into the waters of the state or intentionally or negligently  
20 fails to clean up a spill or release of oil or hazardous material into the wa-  
21 ters of the state as required by ORS 466.645 shall incur a civil penalty not  
22 to exceed the amount of \$100,000 for each violation.

23 “(b) In addition to any other penalty provided by law, the following per-  
24 sons shall incur a civil penalty not to exceed the amount of \$25,000 for each  
25 day of violation:

26 “(A) Any person who violates the terms or conditions of a permit au-  
27 thorizing waste discharge into the air or waters of the state.

28 “(B) Any person who violates any law, rule, order or standard in ORS  
29 448.305, 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to  
30 454.755 and 783.625 to 783.640 and ORS chapters 468, 468A and 468B relating



1 to air or water pollution.

2 “(C) Any person who violates the provisions of a rule adopted or an order  
3 issued under ORS 459A.590.

4 “(4) In addition to any other penalty provided by law, any person who  
5 violates the provisions of ORS 468B.130 shall incur a civil penalty not to  
6 exceed the amount of \$1,000 for each day of violation.

7 “[5] *Subsection (1)(c) and (e) of this section does not apply to violations*  
8 *of motor vehicle emission standards which are not violations of standards for*  
9 *control of noise emissions.*]

10 “**(5) Notwithstanding subsection (1)(c) and (e) of this section, the**  
11 **owner or lessee of a motor vehicle may not incur a civil penalty for a**  
12 **violation of the requirement that the owner or lessee obtain a motor**  
13 **vehicle pollution control system certificate of compliance issued under**  
14 **ORS 468A.380.**

15 “(6) Notwithstanding the limits of ORS 468.130 (1) and in addition to any  
16 other penalty provided by law, any person who intentionally or negligently  
17 causes or permits open field burning contrary to the provisions of ORS  
18 468A.555 to 468A.620 and 468A.992, 476.380 and 478.960 shall be assessed by  
19 the department a civil penalty of at least \$20 but not more than \$40 for each  
20 acre so burned. Any amounts collected by the department pursuant to this  
21 subsection shall be deposited with the State Treasurer to the credit of the  
22 General Fund and shall be available for general governmental expense. As  
23 used in this subsection, ‘open field burning’ does not include propane flaming  
24 of mint stubble.

25

26 “**CLEAN DIESEL IN PUBLIC CONTRACTS**

27

28 “**SECTION 17. Section 18 of this 2019 Act is added to and made a**  
29 **part of the Public Contracting Code.**

30 “**SECTION 18. (1) As used in this section, ‘diesel engine,’ ‘nonroad**

1 **diesel engine’ and ‘motor vehicle’ have the meanings given those**  
2 **terms in ORS 468A.795.**

3 **“(2) Except as provided in subsection (4) of this section, a public**  
4 **improvement contract must require at least 80 percent of the total**  
5 **fleet of motor vehicles that are motor vehicles powered by diesel en-**  
6 **gines and equipment powered by nonroad diesel engines used in the**  
7 **course of performing the contract to be:**

8 **“(a) Motor vehicles powered by model year 2010 or newer diesel en-**  
9 **gines; and**

10 **“(b) Equipment powered by nonroad diesel engines, whether or not**  
11 **capable of being powered by alternative fuel, that meet or exceed**  
12 **United States Environmental Protection Agency Tier 4 exhaust emis-**  
13 **sion standards for nonroad compression ignition engines.**

14 **“(3) Subsection (2) of this section applies only to a public improve-**  
15 **ment contract for a public improvement with a value of \$20 million**  
16 **or more and for which the contracting agency is a state contracting**  
17 **agency.**

18 **“(4)(a) The Department of Environmental Quality may by order es-**  
19 **tablish minimum standards for contract specifications relating to the**  
20 **use of diesel engines in the course of performing a public improvement**  
21 **contract by a state contracting agency. In establishing standards un-**  
22 **der this subsection, the department shall take into consideration**  
23 **methods for assisting contractors certified, under ORS 200.055, as dis-**  
24 **advantaged business enterprises, minority-owned businesses, women-**  
25 **owned businesses, businesses owned by service-disabled veterans or**  
26 **emerging small businesses in complying with the minimum standards**  
27 **for contract specifications.**

28 **“(b) As an alternative to meeting the requirements of subsection**  
29 **(2) of this section, a public improvement contract subject to subsection**  
30 **(2) of this section may include contract specifications that meet the**

1 **minimum standards established by the department under this sub-**  
2 **section.**

3

4 **“SUPPORTING BUSINESSES IN REDUCING DIESEL EMISSIONS**  
5 **TASK FORCE**

6

7 **“SECTION 19. (1) The Supporting Businesses in Reducing Diesel**  
8 **Emissions Task Force is established.**

9 **“(2) The task force consists of 11 members appointed as follows:**

10 **“(a) The President of the Senate shall appoint one member from the**  
11 **majority party of the Senate and one member from the minority party**  
12 **of the Senate.**

13 **“(b) The Speaker of the House of Representatives shall appoint one**  
14 **member from the majority party of the House of Representatives and**  
15 **one member from the minority party of the House of Representatives.**

16 **“(c) The President and the Speaker shall coordinate to jointly ap-**  
17 **point seven members as follows:**

18 **“(A) One member of the public who is an elected official of a gov-**  
19 **ernment entity having jurisdiction in an area with elevated concen-**  
20 **trations of diesel particulate matter;**

21 **“(B) Two members of the public who represent organizations con-**  
22 **cerned with the impacts of diesel emissions on health and communi-**  
23 **ties;**

24 **“(C) One member of the public who represents the trucking or**  
25 **freight industry;**

26 **“(D) One member of the public who represents a business that op-**  
27 **erates equipment that is likely to be powered by diesel engines;**

28 **“(E) One member of the public who represents contractors or busi-**  
29 **nesses that retain the services of subcontractors that operate motor**  
30 **vehicles or equipment powered by diesel engines; and**

1       **“(F) One member of the public who represents environmental jus-**  
2 **tice communities.**

3       **“(3) The task force shall consider public funding strategies for sup-**  
4 **porting businesses in reducing emissions from diesel engines used in**  
5 **the course of conducting business activities. The task force shall**  
6 **evaluate and develop recommendations related to funding strategies**  
7 **that shall include, but need not be limited to:**

8       **“(a) Taxes;**

9       **“(b) Fees;**

10       **“(c) Contract requirements or funding set-asides; and**

11       **“(d) Strategies employed by other states to accrue funds for diesel**  
12 **emission reduction programs.**

13       **“(4) A majority of the voting members of the task force constitutes**  
14 **a quorum for the transaction of business.**

15       **“(5) Official action by the task force requires the approval of a**  
16 **majority of the voting members of the task force, except that in the**  
17 **event of a tie vote, the vote of the chairperson shall decide the action.**

18       **“(6) The task force shall elect one of its members to serve as**  
19 **chairperson.**

20       **“(7) If there is a vacancy for any cause, the appointing authority**  
21 **shall make an appointment to become immediately effective.**

22       **“(8) The task force shall first convene no later than September 15,**  
23 **2019, and shall meet at times and places specified by the call of the**  
24 **chairperson or of a majority of the voting members of the task force.**

25       **“(9) The task force may adopt rules necessary for the operation of**  
26 **the task force.**

27       **“(10) The task force shall submit a report in the manner provided**  
28 **by ORS 192.245, and may include recommendations for legislation, to**  
29 **the interim committees of the Legislative Assembly related to envi-**  
30 **ronment and natural resources no later than September 15, 2020.**



1 described in ORS 468A.797 and 468A.799; and

2 “(d) Grants to the owners of Oregon diesel truck engines to scrap those  
3 engines.

4 “(2) The Environmental Quality Commission by rule may set grant or loan  
5 award rates at a percentage that is greater than a percentage allowed under  
6 subsection (1) of this section, provided that the grant or loan assistance will  
7 not exceed the cost-effectiveness threshold, if the higher percentage award  
8 rate would:

9 “(a) Benefit sensitive populations or areas with elevated concentrations  
10 of diesel particulate matter; or

11 “(b) Otherwise increase participation by those categories of owners or  
12 operators.

13 “(3) In determining the amount of a grant or loan under this section, the  
14 department must reduce the incremental cost of a qualifying replacement,  
15 repower or retrofit by the value of any existing financial incentive that di-  
16 rectly reduces the cost of the qualifying replacement, repower or retrofit,  
17 including tax credits, other grants or loans, or any other public financial  
18 assistance.

19 “(4) The department may certify third parties to perform qualifying re-  
20 placements, repowers and retrofits and may contract with third parties to  
21 perform such services for the certified costs of qualifying replacements, re-  
22 powers and retrofits. The department may also contract with institutions of  
23 higher education or other public bodies as defined by ORS 174.109 to train  
24 and certify third parties to perform qualifying replacements, repowers and  
25 retrofits.

26 “(5) The department may not award a grant or loan for a replacement,  
27 repower or retrofit under subsection (1) of this section unless the grant or  
28 loan applicant demonstrates to the department’s satisfaction that the result-  
29 ing equivalent motor vehicle, equivalent equipment, repowered nonroad die-  
30 sel engine or retrofitted diesel engine will undergo at least 50 percent of its

1 use in Oregon, as measured by miles driven or hours operated, for the three  
2 years following the replacement, repower or retrofit.

3 “(6) The department may not award a grant to scrap an Oregon diesel  
4 truck engine under subsection (1)(d) of this section unless the engine was  
5 manufactured prior to 1994 and the engine is in operating condition at the  
6 time of the grant application or, if repairs are needed, the owner demon-  
7 strates to the department’s satisfaction that the engine can be repaired to  
8 an operating condition for less than its commercial scrap value. The com-  
9 mission shall adopt rules for a maximum grant awarded under subsection  
10 (1)(d) of this section for an engine in a heavy-duty truck and for an engine  
11 in a medium-duty truck. A grant awarded under subsection (1)(d) of this  
12 section may not be combined with any other tax credits, grants or loans, or  
13 any other public financial assistance, to scrap an Oregon diesel truck engine.

14 “(7) Subject to and consistent with federal law, any moneys received from  
15 the federal government that are deposited in the Clean Diesel Engine Fund  
16 under ORS 468A.801 (2)(b) must be used for initiatives to reduce emissions  
17 from diesel engines. Subsections (1) to (6) of this section and ORS 468A.797  
18 and 468A.799 do not apply to use of moneys in the fund received from the  
19 federal government.

20 “(8) Any moneys received by the State of Oregon pursuant to a voluntary  
21 written agreement or a settlement approved in an administrative or judicial  
22 proceeding that are deposited in the Clean Diesel Engine Fund must be used  
23 by the department for activities consistent with the terms and conditions of  
24 the agreement or settlement. Subsections (1) to (6) of this section and ORS  
25 468A.797 and 468A.799 do not apply to the use of moneys in the fund received  
26 pursuant to this subsection.

27 “(9) Except as provided in subsection (8) of this section, the department  
28 may use the moneys in the Clean Diesel Engine Fund to pay expenses of the  
29 department in administering the program described in ORS 468A.795 to  
30 468A.807.

1       **“SECTION 22. (1)(a) Sections 3 to 7, 14 and 15 of this 2019 Act and**  
2 **the amendments to statutes by sections 1, 2, 8 to 13 and 21 of this 2019**  
3 **Act become operative on January 1, 2020.**

4       **“(b) The Environmental Quality Commission, the Department of**  
5 **Environmental Quality and the Department of Transportation may**  
6 **take any action before the operative date specified in paragraph (a)**  
7 **of this subsection that is necessary for the commission and the de-**  
8 **partments to exercise, on and after the operative date specified in**  
9 **paragraph (a) of this subsection, all of the duties, functions and pow-**  
10 **ers conferred on the commission and the departments by sections 3 to**  
11 **7, 14 and 15 of this 2019 Act and the amendments to statutes by**  
12 **sections 1, 2, 8 to 13 and 21 of this 2019 Act.**

13       **“(2)(a) Sections 17 and 18 of this 2019 Act become operative on**  
14 **January 1, 2021.**

15       **“(b) The Department of Environmental Quality may take any action**  
16 **before the operative date specified in paragraph (a) of this subsection**  
17 **that is necessary for the department to exercise, on and after the op-**  
18 **erative date specified in paragraph (a) of this subsection, all of the**  
19 **duties, functions and powers conferred on the department by sections**  
20 **17 and 18 of this 2019 Act.**

21       **“SECTION 23. The unit captions used in this 2019 Act are provided**  
22 **only for the convenience of the reader and do not become part of the**  
23 **statutory law of this state or express any legislative intent in the**  
24 **enactment of this 2019 Act.**

25       **“SECTION 24. This 2019 Act being necessary for the immediate**  
26 **preservation of the public peace, health and safety, an emergency is**  
27 **declared to exist, and this 2019 Act takes effect on its passage.”.**

28