

HB 2674 -1 STAFF MEASURE SUMMARY
House Committee On Energy and Environment

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Meeting Dates: 3/3

WHAT THE MEASURE DOES:

Directs Department of Environmental Quality to study impacts of engine emissions on environment and provide results of study in report to interim committees of Legislative Assembly no later than September 15, 2022. Sunsets January 2, 2023. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Imposes excise, privilege, use and other taxes on diesel engines and nonroad diesel equipment. Requires any tax expenditure enacted with respect to any or all clean diesel engine taxes shall remain in continuous effect until the Legislative Assembly expressly provides otherwise. Directs the Department of Revenue (department) to refund excess clean diesel engine tax payments; apply overpayment to outstanding clean diesel engine taxes; and issue refund upon return of nonroad diesel equipment. Requires the department to deposit all revenue collected from the clean diesel engine taxes in a suspense account and authorizes the department to pay the actual expenses of the department for the administration and enforcement of the clean diesel engine taxes out of moneys received from the clean diesel engine taxes. Directs the department to transfer the balance of the moneys received from the clean diesel engine taxes in the Clean Diesel Engine Fund after payment of administrative and enforcement expenses. Imposes taxes of 3.5 percent for rentals of nonroad diesel equipment and 2 percent for rentals of all other qualified heavy equipment, with certain moneys transferred to the to the Clean Diesel Engine Fund. Requires moneys attributable to the privilege tax imposed on heavy-duty vehicles be transferred to the Clean Diesel Engine Fund. Requires moneys attributable to the privilege tax imposed on light-duty vehicles be transferred to the Connect Oregon Fund. Exempts nonroad diesel equipment from refunds from the Department of Transportation for tax paid on motor vehicle fuel. Requires moneys attributable to the license tax imposed on dyed diesel to be transferred to the Clean Diesel Engine Fund. Requires the Environmental Quality Commission when adopting rules that establish preferences for awarding grants and loans to consider the replacement, repowering, or retrofitting of a motor vehicle with diesel engines. Prescribes effective dates. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

Vehicles and equipment that combust gasoline, diesel, and other fuels emit greenhouse gases and pollutants. Air pollutants from vehicles can include fine particulate matter and can form smog. Engine emissions can have negative health and environmental impacts in areas where emitted. House Bill 2674 would direct the Department of Environmental Quality to study impacts of engine emissions on the environment and provide the results of the study in a report to interim committees of Legislative Assembly no later than September 15, 2022. The bill sunsets January 2, 2023 and takes effect on 91st day following adjournment sine die.