

HB 2700 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Defines “**electric farm tractor**” as a farm tractor as defined in ORS 801.265 that is powered by electricity and meets other specifications as prescribed by the Environmental Quality Commission (EQC) by rule. Defines “**repower**” as replacement of the internal combustion engine of a farm tractor as defined in ORS 801.265 with an electric motor or other zero-emission device to convert the farm tractor into an electric farm tractor. Defines “**repowered farm tractor**” as a farm tractor as defined in ORS 801.265 that has been repowered. Modifies zero-emission and electric vehicle rebate programs to allow rebate for purchase or lease of electric farm tractor or repowering of farm tractor. Establishes rebates rates of **up to \$2,500 but no more than 10 percent** of the purchase price of the electric farm tractor or the cost of repowering a farm tractor. Applies to electric farm tractors purchased or leased and farm tractor repowering costs incurred on or after January 1, 2024. Takes effect on 91st day following adjournment sine die.

- *REVENUE: May have revenue impact, but no statement yet issued*
- *FISCAL: May have fiscal impact, but no statement yet issued*

Subsequent referral to Joint Ways and Means Committee

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Transportation electrification is the use of electricity from external sources to provide power to all or part of a vehicle and includes programs and infrastructure investments to support using electricity to power vehicles. Transportation electrification is driven in part by adoption of zero-emission vehicles (ZEVs), widely available charging infrastructure, environmental benefits when compared to internal-combustion-engine (ICE) vehicles, and supportive policies.

The Oregon Clean Vehicle Rebate Program offers two types of rebates for purchase or lease of ZEVs: the Standard Rebate provides up to \$2,500 for the purchase or lease of new battery electric vehicles (BEV), plug-in hybrid electric vehicle (PHEV), or zero-emission motorcycles; the Charge Ahead rebate provides up to \$5,000 for the purchase or lease of a new or used BEVs and PHEVs for individuals who qualify as low- or moderate-income. The two rebates can be combined for a total rebate of \$7,500.

Electrification of farm equipment such as tractors may provide farmers with benefits such as savings on fuel and maintenance costs. Electric farm equipment may also prevent farmworker exposure to exhaust gases such as carbon dioxide, carbon monoxide, nitrogen oxides, particulate matter, and hydrocarbons that are released from ICE vehicles.

House Bill 2700 would modify the Department of Environmental Quality’s zero-emission and electric vehicle rebate programs to allow rebates for the purchase or lease of electric farm tractors or repowering of farm tractors.