

# House Bill 2945

Sponsored by Representative NERON; Senators ANDERSON, GOLDEN, PATTERSON (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 makes new goals and laws for buying zero-emission school buses. (Flesch Readability Score: 67.7).

Establishes the state policy on the purchase of new zero-emission school buses. Directs the Department of Environmental Quality to adopt rules to require the purchase of new zero-emission school buses in certain areas. Requires the purchase of new zero-emission school buses if the price is equal to a comparable school bus that is not zero-emission. Directs the department to provide technical and financial assistance to school bus fleet owners.

Establishes the Zero-Emission School Bus Assistance Fund.

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

## A BILL FOR AN ACT

1 Relating to zero-emission school buses; and prescribing an effective date.

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

3 **SECTION 1. Sections 2 to 6 of this 2025 Act are added to and made a part of ORS chapter**  
4 **468.**

5 **SECTION 2. As used in sections 2 to 6 of this 2025 Act:**

6 (1) **"Disproportionately impacted community" means an area of this state that is dispro-**  
7 **portionately burdened by air pollution, as determined by criteria established by the Envi-**  
8 **ronmental Quality Commission by rule for air quality, population density and the presence**  
9 **of populations that have a heightened vulnerability to the effects of air pollution.**

10 (2) **"School bus" has the meaning given that term in ORS 801.460.**

11 (3) **"School bus fleet owner" means a school district that owns and operates a fleet of**  
12 **school buses or a person that owns or operates a fleet of school buses that contracts with**  
13 **a school district to provide transportation to students.**

14 (4) **"Zero-emission school bus" means a school bus that:**

15 (a) **Meets minimum standards adopted by the State Board of Education under ORS**  
16 **820.100; and**

17 (b) **Has a drivetrain that produces zero exhaust emissions of any criteria pollutant or**  
18 **greenhouse gas.**

19 **SECTION 3. (1) The Legislative Assembly declares that it is the policy of this state to**  
20 **increase the purchase of new zero-emission school buses according to the following annual**  
21 **targets:**

22 (a) **By 2030, 10 percent of new school buses purchased in this state are zero-emission**  
23 **school buses.**

24 (b) **By 2035, 50 percent of new school buses purchased in this state are zero-emission**  
25 **school buses.**

26 (c) **By 2040, 100 percent of new school buses purchased in this state are zero-emission**

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 school buses.

2 (2) The Legislative Assembly declares that it is the policy of this state that at least 40  
 3 percent of available rebates, grants or other financial assistance for the purchase of new  
 4 zero-emission school buses be provided to disproportionately impacted communities.

5 **SECTION 4.** (1)(a) The Department of Environmental Quality, in consultation with the  
 6 State Board of Education, shall adopt rules to require that, of the new school buses pur-  
 7 chased by a school bus fleet owner to transport students in disproportionately impacted  
 8 communities:

9 (A) By 2030, at least 50 percent must be zero-emission school buses; and

10 (B) By 2035, at least 90 percent must be zero-emission school buses.

11 (b) Rules adopted under this subsection may establish exceptions to the requirements  
 12 described in subsection (1) of this section based on the cost or availability of zero-emission  
 13 school buses.

14 (2)(a) A school bus fleet owner may not purchase a school bus that is not a zero-emission  
 15 school bus if the cost to purchase a comparable and available zero-emission school bus is 100  
 16 percent or less of the cost to purchase a school bus that is not a zero-emission school bus.

17 (b) As used in this subsection, “cost to purchase” means the final sales price minus any  
 18 grants, rebates or other financial incentives for which the purchaser qualifies.

19 **SECTION 5.** (1) The Department of Environmental Quality shall provide technical and  
 20 financial assistance to school bus fleet owners to assist with efforts to transition to a zero-  
 21 emission school bus fleet.

22 (2) Technical assistance may include, but need not be limited to:

23 (a) Developing plans to transition to zero-emission school bus fleets;

24 (b) Assisting with applications for state and federal grants, rebates or financial assist-  
 25 ance; and

26 (c) Planning for the development of charging infrastructure, including integration with  
 27 local energy networks and developing smart energy solutions that improve local resilience.

28 (3) Financial assistance shall be provided in accordance with the goals established under  
 29 section 3 of this 2025 Act and may include, but need not be limited to, grants or rebates for  
 30 the purchase of zero-emission school buses.

31 (4) The Environmental Quality Commission shall adopt by rule policies and procedures  
 32 for providing financial assistance to school bus fleet owners under this section.

33 **SECTION 6.** (1) The Zero-Emission School Bus Assistance Fund is established in the  
 34 State Treasury, separate and distinct from the General Fund. Interest earned by the Zero-  
 35 Emission School Bus Assistance Fund shall be credited to the fund.

36 (2) Moneys in the Zero-Emission School Bus Assistance Fund shall consist of:

37 (a) Amounts donated to the fund;

38 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-  
 39 sembly;

40 (c) Other amounts deposited in the fund from any public or private source; and

41 (d) Interest earned by the fund.

42 (3) Moneys in the Zero-Emission School Bus Assistance Fund are continuously appropri-  
 43 ated to the Department of Environmental Quality to be used to provide financial assistance  
 44 to school bus fleet owners under section 5 of this 2025 Act.

45 (4)(a) The Environmental Quality Commission shall require by rule that at least 40 per-

1 cent of the moneys deposited in the Zero-Emission School Bus Assistance Fund per biennium  
2 are allocated to fund the provision of financial assistance for zero-emission school buses used  
3 to transport students in disproportionately impacted communities.

4 (b) Notwithstanding paragraph (a) of this subsection, if the department determines that  
5 the total amount of rebates provided for financial assistance for zero-emission school buses  
6 used to transport students in disproportionately impacted communities is unlikely to exceed  
7 40 percent of the total amount of moneys deposited in the fund during a biennium, the de-  
8 partment may release moneys allocated under paragraph (a) of this subsection to be used for  
9 the provision of any financial assistance under section 5 of this 2025 Act.

10 SECTION 7. (1) Sections 2 to 5 of this 2025 Act become operative on January 1, 2026.

11 (2) The Department of Environmental Quality and the Environmental Quality Commis-  
12 sion may take any action before the operative date specified in subsection (1) of this section  
13 that is necessary to enable the department and the commission to exercise, on and after the  
14 operative date specified in subsection (1) of this section, all of the duties, functions and  
15 powers conferred on the department and the commission by sections 2 to 5 of this 2025 Act.

16 SECTION 8. This 2025 Act takes effect on the 91st day after the date on which the 2025  
17 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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