

HB 2945-1
(LC 1772)
4/15/25 (STN/ps)

Requested by Representative NERON

**PROPOSED AMENDMENTS TO
HOUSE BILL 2945**

1 On page 1 of the printed bill, line 2, after the semicolon insert “amending
2 ORS 327.033;”.

3 Delete lines 4 through 27 and delete pages 2 and 3 and insert:

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

6 **“SECTION 2. (1) As used in this section:**

7 **“(a) ‘School bus’ has the meaning given that term in ORS 801.460.**

8 **“(b) ‘Total cost of ownership’ means the price of purchasing or
9 leasing a new school bus, less any grants, rebates or other financial
10 incentives for which a purchaser qualifies, and the expected cost of
11 fuel and maintenance over the life of the school bus.**

12 **“(c) ‘Zero-emission school bus’ means a school bus that:**

13 **“(A) Meets minimum standards adopted by the State Board of Ed-
14 ucation under ORS 820.100; and**

15 **“(B) Has a drivetrain that produces zero exhaust emissions of any
16 criteria pollutant or greenhouse gas.**

17 **“(2) The Environmental Quality Commission, in consultation with
18 the State Board of Education, shall by rule establish and implement
19 a program for establishing standards and providing financial and
20 technical assistance for the procurement of zero-emission school
21 buses.**

1 **“(3) Rules adopted under this section must include:**

2 **“(a) Provisions for providing grants, rebates or loans to school dis-**
3 **tricts, and private owners of school bus fleets that contract with**
4 **school districts, for purchasing or leasing new zero-emission school**
5 **buses.**

6 **“(b) A methodology for determining when the total cost of owner-**
7 **ship of a new school bus is comparable to the total cost of ownership**
8 **of a new school bus powered by a diesel engine.**

9 **“(c) Standards for determining the minimum amount of zero-**
10 **emission school buses contracted for by a school district if the total**
11 **cost of ownership of a zero-emission school bus is comparable to the**
12 **total cost of ownership of a school bus powered by a diesel engine.**
13 **Standards under this paragraph must be designed to ensure that the**
14 **amount of zero-emission school buses used by school districts that**
15 **contract for the use of school buses is comparable to the use of zero-**
16 **emission school buses by school districts that purchase or lease school**
17 **buses.**

18 **“(d) Provisions for providing technical assistance to school districts**
19 **that may include, but need not be limited to:**

20 **“(A) Developing plans to transition to zero-emission school bus**
21 **fleets;**

22 **“(B) Assisting with applications for state and federal grants, loans**
23 **or other financial assistance; and**

24 **“(C) Planning for the development of charging infrastructure, in-**
25 **cluding integration with local energy networks and developing smart**
26 **energy solutions that improve local resilience.**

27 **“(4) In adopting rules under this section, the commission shall ap-**
28 **point an advisory committee that consists of members recommended**
29 **by the board in addition to members selected for appointment by the**
30 **commission.**

1 **“(5) The Department of Environmental Quality shall maintain and**
2 **regularly update on the department’s website calculations of the total**
3 **cost of ownership of school buses powered by diesel engines and zero-**
4 **emission school buses and a determination of whether the costs are**
5 **comparable.**

6 **“SECTION 3. (1) The Zero-Emission School Bus Assistance Fund is**
7 **established in the State Treasury, separate and distinct from the**
8 **General Fund. Interest earned by the Zero-Emission School Bus As-**
9 **sistance Fund shall be credited to the fund.**

10 **“(2) Moneys in the Zero-Emission School Bus Assistance Fund shall**
11 **consist of:**

12 **“(a) Amounts donated to the fund;**

13 **“(b) Amounts appropriated or otherwise transferred to the fund by**
14 **the Legislative Assembly;**

15 **“(c) Other amounts deposited in the fund from any public or private**
16 **source; and**

17 **“(d) Interest earned by the fund.**

18 **“(3) Moneys in the Zero-Emission School Bus Assistance Fund are**
19 **continuously appropriated to the Department of Environmental Qual-**
20 **ity to be used to carry out the program established under section 2 of**
21 **this 2025 Act.**

22 **“SECTION 4. ORS 327.033 is amended to read:**

23 **“327.033. (1) As used in this section:**

24 **“(a) ‘Active transportation’ means the arrival to, or departure from, a**
25 **school by students who:**

26 **“(A) Reside less than three miles from school; and**

27 **“(B) Use human-powered forms of travel, including walking or bicycling.**

28 **“(b)(A) ‘Active transportation costs’ means costs incurred by a school**
29 **district for facilitating the use of active transportation, including costs in-**
30 **curred for:**

1 “(i) A pedestrian or bicycle group;

2 “(ii) A crossing guard; or

3 “(iii) Staff time required for coordinating active transportation options.

4 “(B) ‘Active transportation costs’ does not include costs incurred by a
5 school district for:

6 “(i) Subcontracting the school district’s transportation services to a pri-
7 vate transportation provider; or

8 “(ii) The time of an individual who is not an employee of the school dis-
9 trict.

10 “(c)(A) ‘Alternative transportation’ means the arrival to, or departure
11 from, a school by students using active transportation or public transporta-
12 tion.

13 “(B) ‘Alternative transportation’ does not include transportation that is
14 subcontracted by a school district to a private transportation provider.

15 “(d) ‘Alternative transportation costs’ includes:

16 “(A) Active transportation costs; and

17 “(B) Costs incurred by a school district for public transportation, includ-
18 ing costs incurred for staff time required for coordinating public transporta-
19 tion options.

20 “(e) ‘Environmental Mitigation Trust Agreement’ has the meaning given
21 that term in ORS 468A.795.

22 “(f) ‘Public transportation’ means forms of transportation that are pro-
23 vided by a public entity, charge set fares, run on fixed routes and are
24 available to the public.

25 “(g) ‘Retrofit’ has the meaning given that term in ORS 468A.795.

26 “(h) ‘Suitable and sufficient’ means transportation that is appropriate for
27 a particular student or group of students based on:

28 “(A) The age of the student;

29 “(B) The physical or mental capabilities of the student;

30 “(C) The distance the student is to be transported; and

1 “(D) The safety of the student to be transported.

2 “(2)(a) The State Board of Education shall adopt rules to determine the
3 amounts to reimburse a school district for costs incurred by the school dis-
4 trict in transporting students described in ORS 327.006 (2)(a).

5 “(b) The rules adopted under this subsection must allow for the re-
6 imbursement of alternative transportation costs that are approved transpor-
7 tation costs in an amount that does not exceed five percent of the school
8 district’s transportation grant under ORS 327.013. Alternative transportation
9 costs are considered approved transportation costs if:

10 “(A) The use of alternative transportation is included as part of a sup-
11 plemental plan approved by the State Board of Education, as provided by
12 ORS 327.043; or

13 “(B) The use of alternative transportation is included as part of a waiver
14 approved by the State Board of Education, as provided by ORS 327.043.

15 “(c) Notwithstanding paragraph (b) of this subsection and subject to par-
16 agraph (d) of this subsection, alternative transportation costs related to
17 public transportation are approved transportation costs only if the school
18 district submits sufficient documentation to establish that:

19 “(A) No other transportation options, including active transportation
20 options, are suitable and sufficient;

21 “(B) The school district engaged in efforts to recruit, and was subse-
22 quently unable to hire, sufficient workforce to ensure:

23 “(i) Reliable service by a school bus; and

24 “(ii) Timely transport of students to and from school; and

25 “(C) The school district conducted a good faith effort to hire, train and
26 retain drivers of school buses in a manner that included competitive wages
27 and hiring practices consistent with applicable collective bargaining agree-
28 ments.

29 “(d) If, during the 2022-2023 school year, costs incurred by a school dis-
30 trict for transit passes were considered approved transportation costs, the

1 costs incurred by the school district after January 1, 2024, for transit passes
2 shall continue to be considered approved transportation costs.

3 “(3) Approved transportation costs shall be estimated for the year of dis-
4 tribution.

5 “(4) In determining approved transportation costs related to school buses,
6 the State Board of Education:

7 “(a) Shall include depreciation of original cost to the school district of
8 district-owned buses, not in excess of 10 percent per year;

9 “(b) Shall include the costs to repower, retrofit or replace school buses
10 powered by diesel engines for the purpose of reducing or eliminating diesel
11 engine emissions, except that the board may not include the costs paid with
12 moneys received from the state by a school district from the Clean Diesel
13 Engine Fund under ORS 468A.801 (2)(a) to repower, retrofit or replace school
14 buses powered by diesel engines for the purpose of reducing or eliminating
15 diesel engine emissions; and

16 “(c) Shall include costs to school buses powered by diesel engines as al-
17 lowed in the Environmental Mitigation Trust Agreement, except that the
18 board may not include costs paid from the Environmental Mitigation Trust
19 Agreement in the calculation of the transportation grant computed as pro-
20 vided in ORS 327.013.

21 “(5) School districts shall account separately for those funds received
22 from the State School Fund attributable to the costs included under sub-
23 section (4) of this section, and expenditure of those funds shall be limited
24 as follows:

25 “(a) The expenditure of funds attributable to costs under subsection (4)(a)
26 of this section shall be limited to the acquisition of new buses.

27 “(b) The expenditure of funds attributable to costs under subsection (4)(b)
28 and (c) of this section shall be limited to the costs to repower, retrofit or
29 replace school buses powered by diesel engines for the purpose of reducing
30 or eliminating diesel engine emissions.

1 “(6) The transportation grant computed as provided in ORS 327.013 when
2 combined with costs paid from the Environmental Mitigation Trust Agree-
3 ment to replace school buses powered by diesel engines may not exceed the
4 purchase price of the buses for which the funds described in this subsection
5 were received.

6 **“(7)(a) If the total cost of ownership of a zero-emission school bus
7 is comparable to the total cost of ownership of a school bus powered
8 by a diesel engine, as determined by the Department of Environmental
9 Quality under section 2 of this 2025 Act, a school district may not ex-
10 pend funds received from the State School Fund on:**

11 **“(A) The purchase or lease of a school bus powered by a diesel en-
12 gine, unless an exemption is granted under subsection (8) of this sec-
13 tion; and**

14 **“(B) A contract for the use of school buses, unless the contract
15 provides for the use of a minimum amount of zero-emission school
16 buses, in accordance with rules adopted under section 2 of this 2025
17 Act.**

18 **“(b) As used in this subsection, ‘total cost of ownership’ and ‘zero-
19 emission school bus’ have the meaning given those terms in section 2
20 of this 2025 Act.**

21 **“(8) The State Board of Education shall adopt by rule standards and
22 procedures to allow school districts to apply for an exemption from the
23 limitation on the purchase or lease of diesel-powered school buses de-
24 scribed in subsection (7) of this section. Exemptions may be granted
25 for the following reasons:**

26 **“(a) A zero-emission school bus comparable to the school bus the
27 school district seeks to replace is not available; or**

28 **“(b) The school bus will be used for travel outside of the district,
29 and the range of available zero-emission school buses or the available
30 charging infrastructure makes a zero-emission school bus impractical.**

1 **“SECTION 5.** In addition to and not in lieu of any other appropri-
2 **ation,** there is appropriated to the Department of Environmental
3 **Quality,** for the biennium beginning July 1, 2025, out of the General
4 **Fund,** the following amounts for deposit in the Zero-Emission School
5 **Bus Assistance Fund** established under section 3 of this 2025 Act to be
6 **expended for the following purposes:**

7 **“(1) \$20,000,000 for providing financial assistance for the purchase**
8 **or lease of new zero-emission school buses.**

9 **“(2) \$3,000,000 for providing technical assistance to school districts.**

10 **“SECTION 6.** (1) Sections 2 and 3 of this 2025 Act and the amend-
11 **ments to ORS 327.033 by section 4 of this 2025 Act become operative**
12 **on January 1, 2027.**

13 **“(2) The Department of Environmental Quality, the Environmental**
14 **Quality Commission and the State Board of Education may take any**
15 **action before the operative date specified in subsection (1) of this sec-**
16 **tion that is necessary to enable the department, the commission and**
17 **the board to exercise, on and after the operative date specified in**
18 **subsection (1) of this section, all of the duties, functions and powers**
19 **conferred on the department, the commission and the board by**
20 **sections 2 and 3 of this 2025 Act and the amendments to ORS 327.033**
21 **by section 4 of this 2025 Act.**

22 **“SECTION 7.** This 2025 Act takes effect on the 91st day after the
23 **date on which the 2025 regular session of the Eighty-third Legislative**
24 **Assembly adjourns sine die.”.**