

## Enrolled Senate Bill 249

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CHAPTER .....

### AN ACT

Relating to diesel engines; creating new provisions; amending ORS 468A.803; and declaring an emergency.

#### Be It Enacted by the People of the State of Oregon:

##### **SECTION 1.** ORS 468A.803 is amended to read:

468A.803. (1) The Department of Environmental Quality shall use the moneys in the Clean Diesel Engine Fund to award:

(a) Grants and loans to the owners and operators of Oregon diesel engines for up to 100 percent of the certified costs of qualifying retrofits as described in ORS 468A.797 and 468A.799;

(b) Grants and loans to the owners and operators of nonroad Oregon diesel engines for up to 25 percent of the certified costs of qualifying repowers as described in ORS 468A.797 and 468A.799; and

(c) Grants to the owners of Oregon diesel truck engines to scrap those engines.

**(2) Subject to and consistent with federal law, any moneys received from the federal government that are deposited in the Clean Diesel Engine Fund under ORS 468A.801 (2)(b) must be used for initiatives to reduce emissions from diesel engines. Subsections (1), (3) to (5) and (7) of this section and ORS 468A.797 and 468A.799 do not apply to use of moneys in the Clean Diesel Engine Fund received from the federal government.**

[(2)] (3) In determining the amount of a grant or loan under this section, the department must reduce the incremental cost of a qualifying repower or retrofit by the value of any existing financial incentive that directly reduces the cost of the qualifying repower or retrofit, including tax credits, other grants or loans, or any other public financial assistance.

[(3)] (4) The department may certify third parties to perform qualifying repowers and retrofits and may contract with third parties to perform such services for the certified costs of qualifying repowers and retrofits. The department may also contract with institutions of higher education or other public bodies as defined by ORS 174.109 to train and certify third parties to perform qualifying repowers and retrofits.

[(4)] (5) The department may not award a grant to scrap an Oregon diesel truck engine under subsection (1)(c) of this section unless the engine was manufactured prior to 1994 and the engine is in operating condition at the time of the grant application or, if repairs are needed, the owner demonstrates to the department's satisfaction that the engine can be repaired to an operating condition for less than its commercial scrap value. The Environmental Quality Commission shall adopt

rules for a maximum grant awarded under subsection (1)(c) of this section for an engine in a heavy-duty truck and for an engine in a medium-duty truck. A grant awarded under subsection (1)(c) of this section may not be combined with any other tax credits, grants or loans, or any other public financial assistance, to scrap an Oregon diesel truck engine.

[(5)] (6) The department may use the moneys in the Clean Diesel Engine Fund to pay expenses of the department in administering the program described in this section.

[(6)] (7) The commission shall adopt rules to implement this section and ORS 468A.801, including but not limited to establishing preferences for grant and loan awards based upon percentage of engine use in Oregon, whether a grant or loan applicant will provide matching funds, whether scrapping, repowering or retrofitting an engine will benefit sensitive populations or areas with elevated concentrations of diesel particulate matter, or such other criteria as the commission may establish. The rules adopted by the commission shall reserve a portion of the financial assistance available each year for applicants that own or operate a small number of Oregon diesel engines or Oregon diesel truck engines and shall provide for simplified access to financial assistance for those applicants.

[(7)] (8) The department may perform activities necessary to ensure that recipients of grants and loans from the Clean Diesel Engine Fund comply with applicable requirements. If the department determines that a recipient has not complied with applicable requirements, it may order the recipient to refund all grant or loan moneys and may impose penalties pursuant to ORS 468.140.

**SECTION 2. The amendments to ORS 468A.803 by section 1 of this 2013 Act apply to moneys deposited in the Clean Diesel Engine Fund under ORS 468A.801 (2)(b) that are in the fund on the effective date of this 2013 Act, and to moneys deposited under ORS 468A.801 (2)(b) on or after the effective date of this 2013 Act.**

**SECTION 3. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.**

**Passed by Senate March 4, 2013**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House April 11, 2013**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M.,....., 2013

**Approved:**

.....M.,....., 2013

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2013

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Kate Brown, Secretary of State