## EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Greenhouse Gas Emissions - Legislative Actions Update

Meeting Date: April 12, 2010

Agenda Item Number: B
Department: Intergovernmental Relations

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#### **ISSUE STATEMENT**

The purpose of this work session is to update the Mayor and City Council on actions taken by the Oregon State Legislature and the Greenhouse Gas Emissions Task Force since the 2009 Legislative Session to address greenhouse gas (GHG) emissions.

#### **BACKGROUND**

The Oregon State Legislature passed House Bills (HB) 2001 and 2186 during the 2009 Legislative Session and Senate Bill (SB) 1059 during the 2010 Special Legislative Session. HB 2001 and SB 1059 require actions on the part of the Central Lane Metropolitan Planning Organization (MPO) and local jurisdictions within the MPO to begin planning processes to reduce GHG emissions.

#### **House Bill 2001**

HB 2001, also known as the Oregon Jobs and Transportation Act, is the transportation funding plan adopted by the 2009 Legislature. Section 38a of HB 2001 (attached) requires the Central Lane MPO to develop modeling and technical capabilities by July 1, 2013, and to report to the Legislature on development and selection scenarios by February 1, 2014.

City of Eugene staff successfully lobbied the Joint Transportation Committee to include a "hold harmless" provision in the bill if funding was not provided to the Central Lane MPO to carry out the provisions of the bill. To date, we have not received funding from ODOT.

#### **House Bill 2186**

HB 2186 (attached) established a 16-member statewide Greenhouse Gas Emissions Task Force. The task force included two members of the State Senate appointed by the president of the Senate; two members of the House, appointed by the House Speaker; four representatives of transportation and land use stakeholders; chairs of the Oregon Transportation Commission (OTC) and Land Conservation and Development Commission (LCDC); and one representative from each of the state's six MPO's. Eugene City Councilor Alan Zelenka served as the Central Lane MPO's representative.

Under House Bill 2186, the main charge of the Greenhouse Gas Task Force was to study and evaluate the development of alternative land use and transportation scenarios that accommodate population and employment growth while reducing greenhouse gas emissions from motor vehicles with a gross vehicle weight of 10,000 pounds or less and report back to the Legislature in the 2010 Special Session.

#### Senate Bill 1059

Originally, SB 1059 (attached) was almost unanimously opposed by all stakeholders as it lacked any resemblance to the Greenhouse Gas Emissions Task Force's report (attached) presented to the Legislature the first week of the 2010 Special Session. After several long meetings with stakeholders, several amendments were crafted, each showing vast improvement to the original version of the bill.

The final version of SB 1059, which was a drastic improvement over the original version, directs the OTC to adopt a statewide transportation strategy on GHG emissions to aid in achieving emission reduction goals and to report back to the Legislature in 2011.

#### RELATED CITY VALUES

City of Eugene Value # 2: Sustainable Government

#### **COUNCIL OPTIONS**

This is a work session only, to update the Mayor and City Council about the actions taken by the Oregon State Legislature and the Greenhouse Gas Task Force since the 2009 Legislative Session. No action is necessary at this time.

#### CITY MANAGER'S RECOMMENDATION

None. Information only.

#### SUGGESTED MOTION

None. Information only.

#### **ATTACHMENTS**

- A. Section 38a House Bill 2001 (2009) the Oregon Jobs and Transportation Act
- B. House Bill 2186 (2009) Greenhouse Gas Emissions Task Force Bill
- C. Senate Bill 1059 (2010)
- D. Final Greenhouse Gas Emissions Task Force Legislative Concepts Report

#### FOR MORE INFORMATION

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#### OREGON HB 2001 SECTION 38(a)

<u>SECTION 38a.</u> (1) As used in this section, "metropolitan planning organization" has the meaning given that term in ORS 197.629.

- (2) Except as provided in subsection (6) of this section, on or before July 1, 2013, with the assistance of the Department of Transportation and a metropolitan service district, a metropolitan planning organization that serves Eugene and Springfield shall develop modeling and other capabilities needed to perform the planning functions described in subsections (3) and (4) of this section.
- (3)(a) Except as provided in subsection (6) of this section, on or after January 1, 2013, a metropolitan planning organization that serves Eugene and Springfield, shall develop two or more alternative land use and transportation scenarios that accommodate planned population and employment growth while achieving a reduction in greenhouse gas emissions from motor vehicles with a gross vehicle weight rating of 10,000 pounds or less.
- (b) When developing the land use and transportation scenarios described in subsection (a) of this section, the metropolitan planning organization shall take into account the amount of greenhouse emissions, caused by motor vehicles with a gross vehicle weight rating of 10,000 pounds or less, that need to be reduced in 2035 in order to meet the goals stated in ORS 468A.205. The metropolitan planning organization shall take into consideration the reductions in vehicle emissions that are likely to result by 2035 from the use of improved vehicle technologies and fuels.
- (4) The local governments within the boundaries of a metropolitan planning organization that serves Eugene and Springfield shall cooperatively select, after public review and comment on the scenarios within the boundaries of the metropolitan planning organization, one scenario described in subsection (3) of this section.
- (5)(a) The Department of Transportation and the Department of Land Conservation and Development shall provide technical assistance, grant support and guidance for the land use and transportation scenarios and local planning described in subsections (3) and (4) of this section.
- (b) Metro, with grant assistance provided by the Department of Transportation, shall make its land use modeling capabilities available to metropolitan planning organizations that lack similar capabilities.
- (c) The Department of Transportation shall provide funds for rulemaking, technical assistance and grants under this section from available funds.
- (6) A metropolitan planning organization that serves Eugene and Springfield, and local governments within the jurisdiction of the organization, are not required to comply with subsections (2) and (3) of this section unless the organization and local governments receive sufficient funds for reimbursement of costs in carrying out the provisions of subsections (2) and (3) of this section.

### OREGON HB 2001 SECTION 38(a)

(continued)

(7) A metropolitan planning organization that serves Eugene and Springfield shall report:
(a) On or before February 1, 2014, to the House and Senate interim committees related to transportation. The report shall include recommendations for a cooperative process of rulemaking and enforcement of the rules.

(b) To the Seventy eighth Logislative Assembly, the manner provided in ORS 192 245, or

(b) To the Seventy-eighth Legislative Assembly, the manner provided in ORS 192.245, on the implications of implementing the land use and transportation scenario selected under paragraph (a) of this subsection by amendments to the local government's comprehensive plan and land use regulations.

# Enrolled House Bill 2186

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of Governor Theodore R. Kulongoski for Department of Environmental Quality)

CHAPTER	

#### AN ACT

Relating to greenhouse gas emissions; and declaring an emergency.

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

#### SECTION 1. (1) As used in this section:

- (a) "Greenhouse gas" has the meaning given that term in ORS 468A.210.
- (b) "Heavy-duty truck" has the meaning given that term in ORS 468A.795.
- (c) "Medium-duty truck" has the meaning given that term in ORS 468A.795.
- (d) "Return on investment" means:
- (A) A net monthly savings gained through fuel efficiency that is equal to or greater than the net monthly payment obligation under a financing instrument; or
- (B) The owner's or operator's initial capital costs, if self-funded, to comply with any potential requirements under this section are recouped in fuel savings within three years of the owner's or operator's expenditure of the initial capital costs.
- (2)(a) The Department of Environmental Quality shall conduct a study of potential requirements regarding the maintenance or retrofitting of medium-duty trucks and heavy-duty trucks in order to reduce aerodynamic drag and otherwise reduce greenhouse gas emissions from those trucks. In conducting the study, the department shall evaluate:
- (A) Comparable requirements of other states or the United States Environmental Protection Agency;
- (B) The availability of financing programs to fund initial capital costs that are recouped in fuel savings over time;
  - (C) Differences among truck types, such as short-haul trucks and long-haul trucks;
  - (D) Implementation according to a phased-in schedule taking into account fleet size;
- (E) The feasibility of requiring sellers of medium-duty trucks and heavy-duty trucks to disclose to buyers the existence of applicable greenhouse gas emissions reduction requirements: and
- (F) The feasibility of providing economic hardship exemptions and deferrals for owners and operators of trucks, after considering the ability of owners and operators of trucks to attain a return on investment within the time period specified in any financing instrument available to fund initial capital costs associated with any potential requirements.
- (b) As part of the study under this section, the department shall also study potential restrictions on engine use by parked commercial vehicles, including but not limited to medium-duty trucks and heavy-duty trucks.