

**Effective 7/1/2022**

**Part 4**  
**Clean Fuels and Emission Reduction Technology Program Act**

**19-1-402 Definitions.**

As used in this part:

- (1) "Air barrier system" means air barrier material, a system, or an assembly that is specifically and primarily designed to minimize the passage of air through the building thermal envelope and the assemblies when installed in or on a dwelling.
- (2) "Clean fuel" means:
  - (a) propane, natural gas, renewable natural gas, hydrogen, or electricity; or
  - (b) other fuel that meets the clean fuel vehicle standards in the federal Clean Air Act Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.
- (3)
  - (a) "Clean vehicle" means a vehicle that:
    - (i) uses a clean fuel;
    - (ii) is an electric-hybrid vehicle; or
    - (iii) is an electric vehicle.
  - (b) "Clean vehicle" may include heavy duty equipment, such as:
    - (i) a tractor;
    - (ii) earth-moving equipment;
    - (iii) an off-highway vehicle; or
    - (iv) other equipment approved by the director of the Division of Air Quality.
- (4) "Dwelling" means a house, multi-family dwelling, apartment complex, or other residential type building.
- (5) "Electric-hybrid vehicle" means a vehicle:
  - (a) primarily powered by an electric motor that draws current from:
    - (i) rechargeable storage batteries;
    - (ii) fuel cells; or
    - (iii) other sources of electric current; and
  - (b) that also operates on or is capable of operating on a nonelectrical source of power.
- (6) "Electric vehicle" means a vehicle powered by an electric motor that draws current from rechargeable storage batteries, fuel cells, or other sources of electric current and does not need carbon based fuel for operation.
- (7) "Energy-efficient building envelope improvements" means an insulation and air barrier system that meets the prescriptive criteria for insulation and air barrier systems established by the 2021 International Energy Conservation Code.
- (8) "Fund" means the Clean Fuels and Emission Reduction Technology Fund created in Section 19-1-403.
- (9)
  - (a) "Government vehicle" means a motor vehicle:
    - (i) registered in Utah; and
    - (ii) owned and operated by:
      - (A) the state;
      - (B) a public trust authority;
      - (C) a school district;
      - (D) a county; or

- (E) a municipality.
- (b) "Government vehicle" includes a metropolitan rapid transit motor vehicle, bus, truck, law enforcement vehicle, or emergency vehicle.
- (10) "Incremental cost" means the difference between the cost of an OEM vehicle and the same vehicle model manufactured without the clean fuel fueling system.
- (11) "Insulation" means a material or system that is specifically and primarily designed to reduce the heat loss or gain of a dwelling unit when installed in or on the dwelling unit.
- (12) "OEM vehicle" means a vehicle manufactured by the original vehicle manufacturer or the manufacturer's contractor as a clean vehicle.
- (13) "Private sector business vehicle" means a motor vehicle registered in Utah that is owned and operated solely in the conduct of a private business enterprise.
- (14) "Qualified energy-efficient residential dwelling" means a dwelling with an energy efficiency rating determined by the department by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (15) "Refueling equipment" means:
  - (a) compressors when used separately;
  - (b) compressors used in combination with cascade tanks;
  - (c) other equipment that constitute a central refueling system capable of dispensing vehicle fuel; and
  - (d) electric charging stations and equipment.

Amended by Chapter 100, 2022 General Session

**19-1-403 Clean Fuels and Emission Reduction Technology Program -- Contents -- Loans or grants made with fund money.**

- (1)
  - (a) There is created a revolving fund known as the Clean Fuels and Emission Reduction Technology Fund.
  - (b) The fund consists of:
    - (i) appropriations to the fund;
    - (ii) other public and private contributions made under Subsection (1)(c);
    - (iii) interest earnings on cash balances; and
    - (iv) money collected for loan repayments and interest on loans.
  - (c) The department may accept contributions from other public and private sources for deposit into the fund.
- (2) The department may accept federal money, including from the Infrastructure Investment and Jobs Act, P.L. 117-58, toward making:
  - (a) a loan or grant for the cost of a new clean vehicle or refueling equipment; or
  - (b) a grant for:
    - (i) the installation of energy-efficient building envelope improvements at a dwelling; or
    - (ii) construction of a qualified energy-efficient residential dwelling.
- (3)
  - (a) The department may make a loan or a grant:
    - (i) with money available in the fund for:
      - (A) the conversion of a private sector business vehicle, a government vehicle, or a fleet of private sector business vehicles or government vehicles to use a clean fuel, if certified by the Air Quality Board under Subsection 19-1-405(1)(a); or

- (B) the purchase of a clean vehicle for use as a private sector business vehicle, a government vehicle, or a fleet of private sector business vehicles or government vehicles; and
- (ii) with federal money available under Subsection (2) for the cost of a new clean vehicle or clean vehicle refueling equipment.
- (b) The amount of a loan for any vehicle under Subsection (3)(a) may not exceed:
  - (i) the actual cost of the vehicle conversion;
  - (ii) the incremental cost of purchasing the clean vehicle; or
  - (iii) the cost of purchasing the clean vehicle if there is no documented incremental cost.
- (c) The amount of a grant for any vehicle under Subsection (3)(a) may not exceed:
  - (i) 50% of the actual cost of the vehicle conversion for the vehicle for which a grant is requested; or
  - (ii) 100% of the cost of purchasing the vehicle for the vehicle for which a grant is requested.
- (d)
  - (i) Subject to the availability of money in the fund or the federal money described in Subsection (2), the department may make a loan or grant for the purchase of refueling equipment for a private sector business vehicle, a government vehicle, or a fleet of private sector business vehicles or government vehicles.
  - (ii) The maximum amount loaned or granted per installation of refueling equipment may not exceed the actual cost of the refueling equipment.
- (4) The department may:
  - (a) establish an application fee for a loan or grant under this section by following Section 63J-1-504; and
  - (b) reimburse itself for the costs incurred in administering the fund and federal money described in Subsection (2) from:
    - (i) the fund; or
    - (ii) application fees established under Subsection (4)(a).
- (5)
  - (a) A loan made from money in the fund or federal money described in Subsection (2) shall be supported by loan documents evidencing the intent of the borrower to repay the loan.
  - (b) The original loan documents described in this Subsection (5) shall be filed with the Division of Finance and a copy shall be filed with the department.
- (6)
  - (a) The department may make grants to a person or government agency from the fund for the following:
    - (i) installation of energy-efficient building envelope improvements at a dwelling; and
    - (ii) construction of a qualified energy-efficient residential dwelling.
  - (b) The size of a grant under this Subsection (6) shall be commensurate with the square footage of a dwelling, but may not exceed \$5,000 per dwelling.
  - (c) The department shall determine grant allocation under this Subsection (6).
  - (d) The department may not issue a loan from the fund for the purposes outlined in Subsection (6)(a).

Amended by Chapter 100, 2022 General Session

**19-1-403.3 Conversion to Alternative Fuel Grant Program Fund -- Contents -- Grants made with fund money.**

(1)

- (a) There is created an expendable special revenue fund known as the Conversion to Alternative Fuel Grant Program Fund.
  - (b) The fund consists of:
    - (i) appropriations to the fund;
    - (ii) other public and private contributions made under Subsection (1)(c);
    - (iii) fees established by the department, as described in Subsection (3)(a), and deposited into the fund; and
    - (iv) interest earnings on cash balances.
  - (c) The department may accept contributions from other public and private sources for deposit into the fund.
- (2) The department may make a grant with money available in the fund to a person who installs conversion equipment on an eligible vehicle, as described in Sections 19-2-301 through 19-2-304.
- (3) The department may:
- (a) establish an application fee for a grant from the fund by following the procedures and requirements of Section 63J-1-504; and
  - (b) reimburse itself for the costs incurred in administering the fund from:
    - (i) the fund; or
    - (ii) application fees established under Subsection (3)(a).
- (4)
- (a) The fund balance may not exceed \$10,000,000.
  - (b) Interest on cash balances in excess of the amount necessary to maintain the fund balance at \$10,000,000 shall be deposited into the General Fund.

Enacted by Chapter 369, 2016 General Session

**19-1-404 Department duties -- Rulemaking -- Loan repayment.**

- (1) The department shall:
- (a) administer the fund created in Section 19-1-403 and the federal money described in Subsection 19-1-403(2) to encourage emission reductions through energy efficient building practices and the use and acquisition of clean vehicles; and
  - (b) make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
    - (i) specifying the amount of money in the fund and federal money to be dedicated annually for grants;
    - (ii) limiting the number of motor vehicles per fleet operator that may be eligible for a grant in a year;
    - (iii) specifying criteria the department shall consider in prioritizing and awarding loans and grants;
    - (iv) specifying repayment periods;
    - (v) specifying procedures for:
      - (A) awarding loans and grants; and
      - (B) collecting loans; and
    - (vi) requiring loan and grant applicants to:
      - (A) apply on forms provided by the department;
      - (B) if the loan or grant is for a clean vehicle, agree in writing to use the clean fuel for which each clean vehicle is converted or purchased using loan or grant proceeds for a minimum of 70% of the vehicle miles traveled beginning from the time of conversion or purchase of the clean vehicle;

- (C) if the loan or grant is for a clean vehicle, agree in writing to notify the department if a clean vehicle converted or purchased using loan or grant proceeds becomes inoperable through mechanical failure or accident and to pursue a remedy outlined in department rules;
  - (D) if the loan or grant is for a clean vehicle, provide reasonable data to the department on a clean vehicle converted or purchased with loan or grant proceeds; and
  - (E) if the loan or grant is for a clean vehicle, submit a clean vehicle converted or purchased with loan or grant proceeds to inspections by the department as required in department rules and as necessary for administration of the loan and grant program.
- (2)
- (a) When developing repayment schedules for the loans, the department shall consider the projected savings from use of the clean vehicle.
  - (b) A repayment schedule may not exceed 10 years.
  - (c) The department shall make a loan from the fund or federal money described in Subsection 19-1-403(2) for a private sector business vehicle at an interest rate equal to the annual return earned in the state treasurer's Public Treasurer's Pool as determined the month immediately preceding the closing date of the loan.
  - (d) The department shall make a loan from the fund or federal money described in Subsection 19-1-403(2) for a government vehicle with no interest rate.
- (3) The Division of Finance shall:
- (a) collect and account for the loans; and
  - (b) have custody of the loan documents, including notes and contracts, evidencing the indebtedness of the fund or federal money described in Subsection 19-1-403(2).

Amended by Chapter 100, 2022 General Session

**19-1-405 Air Quality Board duties -- Rulemaking.**

- (1) By following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Air Quality Board may make rules to:
- (a) certify a motor vehicle on which conversion equipment has been installed if:
    - (i) before the installation of conversion equipment, the motor vehicle does not exceed the emission cut points for:
      - (A) a transient test driving cycle, as specified in 40 CFR 51, Appendix E to Subpart S; or
      - (B) an equivalent test for the make, model, and year of the motor vehicle; and
    - (ii) the motor vehicle's emissions of regulated pollutants, when operating with clean fuel, is less than the emissions were before the installation of conversion equipment;
  - (b) recognize a test or standard that demonstrates a reduction in emissions; or
  - (c) recognize a certification standard from another state.
- (2) A reduction in emissions under Subsection (1)(a)(ii) is demonstrated by:
- (a) certification of the conversion equipment by the federal Environmental Protection Agency or by a state whose certification standards are recognized by the Air Quality Board;
  - (b) testing the motor vehicle, before and after the installation of the conversion equipment, in accordance with 40 CFR 86, Control of Air Pollution from New and In-use Motor Vehicle Engines: Certification and Test Procedures, using all fuel the motor vehicle is capable of using; or
  - (c) any other test or standard recognized by the Air Quality Board in rule.

Amended by Chapter 295, 2014 General Session

**19-1-406 Retrofit compressed natural gas vehicles -- Inspections, standards, and certification -- Compliance with other law -- Programs to coordinate.**

- (1) An owner of a retrofit compressed natural gas vehicle that is retrofit on or after July 1, 2010, may not operate the retrofit compressed natural gas vehicle before the owner has the retrofit compressed natural gas vehicle:
  - (a) inspected and certified as safe in accordance with relevant standards, including the National Fire Protection Association 52 Vehicular Gaseous Fuel Systems Code, by a CSA America CNG Fuel System Inspector; and
  - (b) tested to ensure that the retrofit compressed natural gas vehicle satisfies the emissions standards:
    - (i) if any, for the county in which the retrofit compressed natural gas vehicle is registered; or
    - (ii) for the county in the state with the most lenient emissions standards, if the retrofit compressed natural gas vehicle is registered in a county with no emissions standards.
- (2) A person who performs a retrofit on a retrofit compressed natural gas vehicle shall certify to the owner of the retrofit compressed natural gas vehicle that the retrofit does not tamper with, circumvent, or otherwise affect the vehicle's on-board diagnostic system, if any.
- (3)
  - (a) After the owner of a retrofit compressed natural gas vehicle that is retrofit on or after July 1, 2010, has the retrofit compressed natural gas vehicle inspected under Subsection (1), the owner shall have the retrofit inspected for safety by a CSA America CNG Fuel System Inspector:
    - (i) the sooner of:
      - (A) every three years after the retrofit; or
      - (B) every 36,000 miles after the retrofit; and
    - (ii) after any collision occurring at a speed of greater than five miles per hour.
  - (b) An inspector at a state-required safety inspection shall verify that a retrofit compressed natural gas vehicle is inspected in accordance with Subsection (3)(a).
- (4)
  - (a) The Division of Air Quality may develop programs to coordinate amongst government agencies and interested parties in the private sector to facilitate:
    - (i) testing to ensure compliance with emissions and anti-tampering standards established in this section or by federal law; and
    - (ii) the retrofitting of vehicles to operate on compressed natural gas vehicles in a manner that provides for:
      - (A) safety;
      - (B) compliance with applicable law; and
      - (C) potential improvement in the air quality of this state.
  - (b) In developing a program under this Subsection (4), the Division of Air Quality shall:
    - (i) allow for testing using equipment widely available within the state, if possible; and
    - (ii) consult with relevant federal, state, and local government agencies and other interested parties.

Enacted by Chapter 236, 2010 General Session