

1 **AMENDMENTS RELATING TO CLEAN FUELS**
2 **AND VEHICLES USING CLEAN FUELS**

3 2005 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Fred R. Hunsaker**

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Traffic Rules and Regulations chapter, the Corporate Franchise
10 and Income Tax chapter, the Individual Income Tax Act, the Special Fuel part, the
11 Clean Fuels Conversion Program Act, and the Repeal Dates part relating to clean fuels
12 and vehicles using clean fuels.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ provides the circumstances under which a vehicle may travel in lanes designated for
16 the use of high occupancy vehicles regardless of the number of occupants;
- 17 ▶ extends for a period of five taxable years certain individual income tax and
18 corporate franchise and income tax credits relating to vehicles using clean fuels;
- 19 ▶ provides that a taxpayer may not claim a tax credit with respect to an electric-hybrid
20 vehicle;
- 21 ▶ extends until December 31, 2010, a surcharge on clean special fuel tax certificates;
- 22 ▶ provides that the Department of Natural Resources may not make a loan or grant
23 under the Clean Fuels Conversion Program Act with respect to an electric-hybrid
24 vehicle;
- 25 ▶ extends a repeal date until December 31, 2010, for allowing certain vehicles to
26 travel in lanes designated for the use of high occupancy vehicles regardless of the
27 number of occupants; and



28 ▶ makes technical changes.

29 **Monies Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 This bill provides an effective date and provides for retrospective operation.

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **41-6-53.5**, as last amended by Chapter 74, Laws of Utah 2002

36 **59-7-605**, as last amended by Chapter 90, Laws of Utah 2004

37 **59-10-127**, as last amended by Chapter 90, Laws of Utah 2004

38 **59-13-304**, as last amended by Chapter 7, Laws of Utah 2003

39 **63-34-202**, as enacted by Chapter 231, Laws of Utah 2002

40 **63-34-203**, as enacted by Chapter 231, Laws of Utah 2002

41 **63-55-241**, as last amended by Chapter 90, Laws of Utah 2004



43 *Be it enacted by the Legislature of the state of Utah:*

44 Section 1. Section **41-6-53.5** is amended to read:

45 **41-6-53.5. Left lane restrictions -- Exceptions -- Other lane restrictions --**

46 **Penalties.**

47 (1) As used in this section and Section 41-6-55, "general purpose lane" means a
48 highway lane open to vehicular traffic but does not include an officially designated:

49 (a) high occupancy vehicle (HOV) lane; or

50 (b) auxiliary lane that begins as a freeway on-ramp and ends as part of the next freeway
51 off-ramp.

52 (2) On a highway or section of a highway that is part of the interstate system as defined
53 in Section 72-1-102 and which has three or more general purpose lanes in the same direction, a
54 person may not operate a vehicle in the left most general purpose lane if the person's:

55 (a) vehicle is drawing a trailer or semitrailer regardless of size; or

56 (b) vehicle or combination of vehicle has a gross vehicle weight of 12,001 or more
57 pounds.

58 (3) Subsection (2) does not apply to a person operating a vehicle who is:

- 59 (a) preparing to turn left or taking a highway split or exit on the left;
- 60 (b) responding to emergency conditions;
- 61 (c) avoiding actual or potential traffic moving onto the highway from an acceleration or
- 62 merging lane; or

63 (d) following direction signs that direct use of a designated lane.

64 (4) (a) The Department of Transportation or local authorities may designate a specific

65 lane or lanes of travel for any type of vehicle on a highway or portion of a highway under their

66 respective jurisdiction for the:

- 67 (i) safety of the public;
- 68 (ii) efficient maintenance of a highway; or
- 69 (iii) use of high occupancy vehicles.

70 (b) The lane designation under Subsection (4)(a) is effective when appropriate signs

71 giving notice are erected on the highway or portion of the highway.

72 (5) ~~[The]~~ (a) Subject to Subsection (5)(b), the lane designation under Subsection (4)(a)

73 shall allow a vehicle with clean fuel special group license plates issued in accordance with

74 Section 41-1a-418 to travel in lanes designated for the use of high occupancy vehicles

75 regardless of the number of occupants[-] to the extent authorized or permitted by federal law or

76 federal regulation.

77 (b) (i) Before a vehicle with clean fuel special group license plates issued in

78 accordance with Section 41-1a-418 may travel in lanes designated for the use of high

79 occupancy vehicles regardless of the number of occupants, the vehicle shall have a label

80 attached to the vehicle as provided in Subsection (5)(b)(ii) if the category of clean fuel vehicles

81 authorized or permitted by federal law or federal regulation to travel in lanes designated for the

82 use of high occupancy vehicles regardless of the number of occupants is a category of vehicles

83 that:

84 (A) includes the vehicle described in this Subsection (5)(b)(i); and

85 (B) is more narrow than the category of vehicles that may be issued clean fuel special

86 group license plates in accordance with Section 41-1a-418.

87 (ii) The label described in Subsection (5)(b)(i) shall:

88 (A) meet the design specifications of 40 C.F.R. Sec. 88.312-93; and

89 (B) be attached:

90 (I) regardless of whether the vehicle described in Subsection (5)(b)(i) is part of a fleet
91 of vehicles;

92 (II) to the rear of the vehicle described in Subsection (5)(b)(i);

93 (III) in one or more places in addition to the attachment required by Subsection
94 (5)(b)(ii)(B)(II) if federal law or federal regulation requires an attachment in one or more places
95 in addition the attachment required by Subsection (5)(b)(ii)(B)(II); and

96 (IV) following the procedures and requirements provided in 40 C.F.R. Sec. 88.312-93
97 for attaching labels to vehicles.

98 (6) A person who operates a vehicle in violation of Subsection (2) or in violation of the
99 restrictions made under Subsection (4) is guilty of a class C misdemeanor.

100 Section 2. Section **59-7-605** is amended to read:

101 **59-7-605. Definitions -- Tax credit -- Cleaner burning fuels.**

102 (1) As used in this section:

103 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air
104 Conservation Act.

105 (b) "Certified by the board" means that:

106 (i) a motor vehicle on which conversion equipment has been installed meets the
107 following criteria:

108 (A) before the installation of conversion equipment, the vehicle does not exceed the
109 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,
110 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;

111 (B) the motor vehicle's emissions of regulated pollutants, when operating on ~~[fuels]~~ a
112 fuel listed in Subsection (2)~~(b)~~(a)(ii)(A) or (2)(a)(ii)(B), is less than the emissions were
113 before the installation of conversion equipment; and

114 (C) a reduction in emissions under Subsection (1)(b)(i)(B) is demonstrated by:

115 (I) certification of the conversion equipment by the federal Environmental Protection
116 Agency or by a state whose certification standards are recognized by the board;

117 (II) testing the motor vehicle, before and after installation of the conversion equipment,
118 in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use Highway
119 Vehicles and Engines, using all fuel the motor vehicle is capable of using; or

120 (III) any other test or standard recognized by board rule; or

121 (ii) special mobile equipment on which conversion equipment has been installed meets
122 the following criteria:

123 (A) the special mobile equipment's emissions of regulated pollutants, when operating
124 on fuels listed in Subsection (2)~~(c)~~(a)(iii)(A) or (2)(a)(iii)(B), is less than the emissions were
125 before the installation of conversion equipment; and

126 (B) a reduction in emissions under Subsection (1)(b)(ii)(A) is demonstrated by:

127 (I) certification of the conversion equipment by the federal Environmental Protection
128 Agency or by a state whose certification standards are recognized by the board; or

129 (II) any other test or standard recognized by board rule.

130 (c) "Clean fuel grant" means a grant awarded under Title 63, Chapter 34, Part 2, Clean
131 Fuels Conversion Program Act, for reimbursement of a portion of the incremental cost of an
132 OEM vehicle or the cost of conversion equipment.

133 (d) "Conversion equipment" means equipment referred to in Subsection (2)~~(b)~~(a)(ii)
134 or (2)~~(c)~~(a)(iii).

135 (e) "Electric-hybrid vehicle" is as defined in 42 U.S.C. Sec. 13435.

136 ~~(e)~~ (f) "Incremental cost" has the same meaning as in Section 63-34-202.

137 ~~(f)~~ (g) "OEM vehicle" has the same meaning as in Section 63-34-202.

138 ~~(g)~~ (h) "Special mobile equipment":

139 (i) means any mobile equipment or vehicle that is not designed or used primarily for
140 the transportation of persons or property; and

141 (ii) includes construction or maintenance equipment.

142 (2) ~~For~~ (a) Except as provided in Subsection (2)(b), for taxable years beginning on or
143 after January 1, 2001, but beginning on or before December 31, [2005] 2010, a taxpayer may
144 claim a tax credit against tax otherwise due under this chapter or Chapter 8, Gross Receipts
145 Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in
146 an amount equal to:

147 ~~(a)~~ (i) 50% of the incremental cost of an OEM vehicle registered in Utah minus the
148 amount of any clean fuel grant received, up to a maximum tax credit of \$3,000 per vehicle, if
149 the vehicle:

150 ~~(i)~~ (A) is fueled by propane, natural gas, or electricity;

151 ~~(i)~~ (B) is fueled by other fuel the board determines annually on or before July 1 to be

152 at least as effective in reducing air pollution as fuels under Subsection (2)(a)(i)(A); or
153 ~~[(iii)]~~ (C) meets the clean-fuel vehicle standards in the federal Clean Air Act
154 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.;

155 ~~[(b)]~~ (ii) 50% of the cost of equipment for conversion, if certified by the board, of a
156 motor vehicle registered in Utah minus the amount of any clean fuel grant received, up to a
157 maximum tax credit of \$2,500 per motor vehicle, if the motor vehicle is to:

158 ~~[(i)]~~ (A) be fueled by propane, natural gas, or electricity;
159 ~~[(i)]~~ (B) be fueled by other fuel the board determines annually on or before July 1 to
160 be at least as effective in reducing air pollution as fuels under Subsection (2)~~[(b)(i)]~~(a)(ii)(A);
161 or

162 ~~[(iii)]~~ (C) meet the federal clean-fuel vehicle standards in the federal Clean Air Act
163 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

164 ~~[(e)]~~ (iii) 50% of the cost of equipment for conversion, if certified by the board, of a
165 special mobile equipment engine minus the amount of any clean fuel grant received, up to a
166 maximum tax credit of \$1,000 per special mobile equipment engine, if the special mobile
167 equipment is to be fueled by:

168 ~~[(i)]~~ (A) propane, natural gas, or electricity; or
169 ~~[(i)]~~ (B) other fuel the board determines annually on or before July 1 to be:

170 ~~[(A)]~~ (I) at least as effective in reducing air pollution as the fuels under Subsection
171 (2)~~[(e)(i)]~~(a)(iii)(A); or

172 ~~[(B)]~~ (II) substantially more effective in reducing air pollution than the fuel for which
173 the engine was originally designed.

174 (b) Notwithstanding Subsection (2)(a), a taxpayer may not claim a tax credit under this
175 section with respect to an electric-hybrid vehicle.

176 (3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is
177 allowed under this section by:

178 (a) providing proof to the board in the form the board requires by rule;
179 (b) receiving a written statement from the board acknowledging receipt of the proof;
180 and

181 (c) retaining the written statement described in Subsection (3)(b).
182 (4) Except as provided by Subsection (5), the tax credit under this section is allowed

183 only:

184 (a) against any Utah tax owed in the taxable year by the taxpayer;

185 (b) in the taxable year in which the item is purchased for which the tax credit is
186 claimed; and

187 (c) once per vehicle.

188 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the
189 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit
190 exceeding the tax liability may be carried forward for a period that does not exceed the next
191 five taxable years.

192 Section 3. Section **59-10-127** is amended to read:

193 **59-10-127. Definitions -- Tax credit -- Cleaner burning fuels.**

194 (1) As used in this section:

195 (a) "Board" means the Air Quality Board created in Title 19, Chapter 2, Air
196 Conservation Act.

197 (b) "Certified by the board" means that:

198 (i) a motor vehicle on which conversion equipment has been installed meets the
199 following criteria:

200 (A) before the installation of conversion equipment, the vehicle does not exceed the
201 emission cut points for a transient test driving cycle, as specified in 40 C.F.R. Part 51,
202 Appendix E to Subpart S, or an equivalent test for the make, model, and year of the vehicle;

203 (B) the motor vehicle's emissions of regulated pollutants, when operating on fuels
204 listed in Subsection (2)(~~b~~)(a)(ii)(A) or (2)(a)(ii)(B), is less than the emissions were before the
205 installation of conversion equipment; and

206 (C) a reduction in emissions under Subsection (1)(b)(i)(B) is demonstrated by:

207 (I) certification of the conversion equipment by the federal Environmental Protection
208 Agency or by a state whose certification standards are recognized by the board;

209 (II) testing the motor vehicle, before and after installation of the conversion equipment,
210 in accordance with 40 C.F.R. Part 86, Control Emissions from New and In-use Highway
211 Vehicles and Engines, using all fuels the motor vehicle is capable of using; or

212 (III) any other test or standard recognized by board rule; or

213 (ii) special mobile equipment on which conversion equipment has been installed meets

214 the following criteria:

215 (A) the special mobile equipment's emissions of regulated pollutants, when operating
216 on fuels listed in Subsection (2)~~(e)~~(a)(iii)(A) or (2)(a)(iii)(B), is less than the emissions were
217 before the installation of conversion equipment; and

218 (B) a reduction in emissions under Subsection (1)(b)(ii)(A) is demonstrated by:

219 (I) certification of the conversion equipment by the federal Environmental Protection
220 Agency or by a state whose certification standards are recognized by the board; or

221 (II) any other test or standard recognized by the board.

222 (c) "Clean fuel grant" means a grant the taxpayer receives under Title 63, Chapter 34,
223 Part 2, Clean Fuels Conversion Program Act, for reimbursement of a portion of the incremental
224 cost of the OEM vehicle or the cost of conversion equipment.

225 (d) "Conversion equipment" means equipment referred to in Subsection (2)~~(b)~~(a)(ii)
226 or (2)~~(e)~~(a)(iii).

227 (e) "Electric-hybrid vehicle" is as defined in 42 U.S.C. Sec. 13435.

228 ~~(e)~~ (f) "Incremental cost" has the same meaning as in Section 63-34-202.

229 ~~(f)~~ (g) "OEM vehicle" has the same meaning as in Section 63-34-202.

230 ~~(g)~~ (h) "Special mobile equipment":

231 (i) means any mobile equipment or vehicle not designed or used primarily for the
232 transportation of persons or property; and

233 (ii) includes construction or maintenance equipment.

234 (2) ~~For~~ (a) Except as provided in Subsection (2)(b), for taxable years beginning on or
235 after January 1, 2001, but beginning on or before December 31, ~~2005~~ 2010, a taxpayer may
236 claim a tax credit against tax otherwise due under this chapter in an amount equal to:

237 ~~(a)~~ (i) 50% of the incremental cost of an OEM vehicle registered in Utah minus the
238 amount of any clean fuel grant received, up to a maximum tax credit of \$3,000 per vehicle, if
239 the vehicle:

240 ~~(i)~~ (A) is fueled by propane, natural gas, or electricity;

241 ~~(i)~~ (B) is fueled by other fuel the board determines annually on or before July 1 to be
242 at least as effective in reducing air pollution as fuels under Subsection (2)(a)(i)(A); or

243 ~~(iii)~~ (C) meets the clean-fuel vehicle standards in the federal Clean Air Act
244 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.;

245 ~~[(b)]~~ (ii) 50% of the cost of equipment for conversion, if certified by the board, of a
 246 motor vehicle registered in Utah minus the amount of any clean fuel conversion grant received,
 247 up to a maximum tax credit of \$2,500 per vehicle, if the motor vehicle:

248 ~~[(i)]~~ (A) is to be fueled by propane, natural gas, or electricity;

249 ~~[(i)]~~ (B) is to be fueled by other fuel the board determines annually on or before July 1
 250 to be at least as effective in reducing air pollution as fuels under Subsection
 251 (2)~~[(b)(i)]~~(a)(ii)(A); or

252 ~~[(iii)]~~ (C) will meet the federal clean fuel vehicle standards in the federal Clean Air Act
 253 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

254 ~~[(e)]~~ (iii) 50% of the cost of equipment for conversion, if certified by the board, of a
 255 special mobile equipment engine minus the amount of any clean fuel conversion grant
 256 received, up to a maximum tax credit of \$1,000 per special mobile equipment engine, if the
 257 special mobile equipment is to be fueled by:

258 ~~[(i)]~~ (A) propane, natural gas, or electricity; or

259 ~~[(i)]~~ (B) other fuel the board determines annually on or before July 1 to be:

260 ~~[(A)]~~ (I) at least as effective in reducing air pollution as the fuels under Subsection
 261 (2)~~[(e)(i)]~~(a)(iii)(A); or

262 ~~[(B)]~~ (II) substantially more effective in reducing air pollution than the fuel for which
 263 the engine was originally designed.

264 (b) Notwithstanding Subsection (2)(a), a taxpayer may not claim a tax credit under this
 265 section with respect to an electric-hybrid vehicle.

266 (3) An individual shall provide proof of the purchase of an item for which a tax credit
 267 is allowed under this section by:

268 (a) providing proof to the board in the form the board requires by rule;

269 (b) receiving a written statement from the board acknowledging receipt of the proof;

270 and

271 (c) retaining the written statement described in Subsection (3)(b).

272 (4) Except as provided by Subsection (5), the tax credit under this section is allowed
 273 only:

274 (a) against any Utah tax owed in the taxable year by the taxpayer;

275 (b) in the taxable year in which the item is purchased for which the tax credit is

276 claimed; and

277 (c) once per vehicle.

278 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the
279 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit
280 exceeding the tax liability may be carried forward for a period that does not exceed the next
281 five taxable years.

282 Section 4. Section **59-13-304** is amended to read:

283 **59-13-304. Exemptions from Special Fuel Tax -- Clean Special Fuel Tax --**
284 **Certificate required -- Fees for certificates -- Inspection of vehicles -- Exemptions.**

285 (1) (a) Except as provided in Subsection (4), a user of special fuel who owns a vehicle
286 powered by a clean special fuel as defined under Section 59-13-102 shall pay a clean special
287 fuel tax as provided under this section for use of clean special fuel.

288 (b) A user of special fuel who qualifies for the clean special fuel tax shall annually
289 purchase from the commission a clean special fuel tax certificate for each vehicle owned or
290 leased that is powered by a clean special fuel.

291 (c) Clean special fuel tax certificates are provided to encourage the use of clean fuels to
292 reduce air pollution.

293 (2) (a) The fee for a clean special fuel tax certificate is:

294 (i) 70/.19 of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up
295 to the nearest dollar, for qualified motor vehicles as defined under Section 59-13-102; and

296 (ii) 36/.19 of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up
297 to the nearest dollar, for other vehicles.

298 (b) The commission may require each vehicle to be inspected for safe operation before
299 issuing the certificate.

300 (c) Each vehicle shall be equipped with an approved and properly installed carburetion
301 system if it is powered by a fuel that is gaseous at standard atmospheric conditions.

302 (3) (a) Beginning January 1, 2001 through December 31, [~~2005~~] 2010, there is imposed
303 a surcharge of \$35 on each clean special fuel tax certificate issued under this section.

304 (b) Surcharges imposed under Subsection (3)(a) shall be deposited into the Centennial
305 Highway Fund created under Section 72-2-118.

306 (4) A governmental entity identified in Subsection 59-13-301(9) that owns or leases a

307 vehicle powered by a special fuel that qualifies as a clean special fuel is exempt from the clean
308 special fuel tax imposed under this section.

309 Section 5. Section **63-34-202** is amended to read:

310 **63-34-202. Definitions.**

311 As used in this part:

312 (1) "Certified by the Air Quality Board" means that a motor vehicle on which
313 conversion equipment has been installed meets the following criteria:

314 (a) before the installation of conversion equipment, the motor vehicle does not exceed
315 the emission cut points for a transient test driving cycle, as specified in 40 CFR 51, Appendix
316 E to Subpart S, or an equivalent test for the make, model, and year of the motor vehicle;

317 (b) the motor vehicle's emissions of regulated pollutants, when operating with clean
318 fuel, is less than the emissions were before the installation of conversion equipment; and

319 (c) a reduction in emissions under Subsection (1)(b) is demonstrated by:

320 (i) certification of the conversion equipment by the federal Environmental Protection
321 Agency or by a state whose certification standards are recognized by the Air Quality Board;

322 (ii) testing the motor vehicle, before and after the installation of the conversion
323 equipment, in accordance with 40 CFR 86, Control of Air Pollution from New and In-use
324 Motor Vehicle Engines: Certification and Test Procedures, using all fuel the motor vehicle is
325 capable of using; or

326 (iii) any other test or standard recognized by Air Quality Board rule.

327 (2) "Clean fuel" means:

328 (a) propane, compressed natural gas, or electricity;

329 (b) other fuel the Air Quality Board determines to be at least as effective as fuels under
330 Subsection (2)(a) in reducing air pollution; or

331 (c) other fuel that meets the clean-fuel vehicle standards in the federal Clean Air Act
332 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.

333 (3) "Clean-fuel vehicle" means a vehicle that:

334 (a) uses a clean fuel; and

335 (b) meets clean-fuel vehicle standards in the federal Clean Air Act Amendments of
336 1990, 42 U.S.C. Sec. 7521 et seq.

337 (4) "Electric-hybrid vehicle" is as defined in 42 U.S.C. Sec. 13435.

338 [~~(4)~~] (5) "Fund" means the Clean Fuels Vehicle Fund created in Section 63-34-203.

339 [~~(5)~~] (6) "Government vehicle" means a motor vehicle registered in Utah and owned
340 and operated by the state, a public trust authority, a school district, a county, a municipality, a
341 town, or a city, including a metropolitan rapid transit motor vehicle, bus, truck, law
342 enforcement vehicle, or emergency vehicle.

343 [~~(6)~~] (7) "Incremental cost" means the difference between the cost of the OEM vehicle
344 and the same vehicle model manufactured without the clean-fuel fueling system.

345 [~~(7)~~] (8) "OEM vehicle" means a vehicle manufactured by the original vehicle
346 manufacturer or its contractor to use a clean fuel.

347 [~~(8)~~] (9) "Private sector business vehicle" means a motor vehicle registered in Utah that
348 is owned and operated solely in the conduct of a private business enterprise.

349 [~~(9)~~] (10) "Refueling equipment" means compressors when used separately,
350 compressors used in combination with cascade tanks, and other equipment that constitute a
351 central refueling system capable of dispensing vehicle fuel.

352 Section 6. Section **63-34-203** is amended to read:

353 **63-34-203. Clean Fuels Vehicle Fund -- Contents -- Loans or grants made with**
354 **fund monies.**

355 (1) (a) There is created a revolving fund known as the Clean Fuels Vehicle Fund.

356 (b) The fund consists of:

357 (i) appropriations to the fund;

358 (ii) other public and private contributions made under Subsection (1)(d);

359 (iii) interest earnings on cash balances; and

360 (iv) all monies collected for loan repayments and interest on loans.

361 (c) All money appropriated to the fund is nonlapsing.

362 (d) The department may accept contributions from other public and private sources for
363 deposit into the fund.

364 (2) (a) [~~The~~] Except as provided in Subsection (3), the department may make loans or
365 grants with monies available in the fund for:

366 (i) the conversion of private sector business vehicles and government vehicles to use a
367 clean fuel, if certified by the Air Quality Board; or

368 (ii) the purchase of OEM vehicles for use as private sector business vehicles or

369 government vehicles.

370 (b) The amount of a loan for any vehicle may not exceed:

371 (i) the actual cost of the vehicle conversion;

372 (ii) the incremental cost of purchasing the OEM vehicle; or

373 (iii) the cost of purchasing the OEM vehicle if there is no documented incremental
374 cost.

375 (c) The amount of a grant for any vehicle may not exceed:

376 (i) 50% of the actual cost of the vehicle conversion minus the amount of any tax credit
377 claimed under Section 59-7-605 or 59-10-127 for the vehicle for which a grant is requested; or

378 (ii) 50% of the incremental cost of purchasing an OEM vehicle minus the amount of
379 any tax credit claimed under Section 59-7-605 or 59-10-127 for the vehicle for which a grant is
380 requested.

381 (d) (i) ~~[Subject]~~ Except as provided in Subsection (3) and subject to the availability of
382 monies in the fund, the department may make loans for the purchase of vehicle refueling
383 equipment for private sector business vehicles and government vehicles.

384 (ii) The maximum amount loaned per installation of refueling equipment may not
385 exceed the actual cost of the refueling equipment.

386 (3) Notwithstanding Subsection (2)(a) or (2)(d), the department may not make a loan or
387 grant under this part with respect to an electric-hybrid vehicle.

388 ~~[(3)]~~ (4) Administrative costs of the fund shall be paid from the fund.

389 ~~[(4)]~~ (5) (a) The fund balance may not exceed \$10,000,000.

390 (b) Interest on cash balances and repayment of loans in excess of the amount necessary
391 to maintain the fund balance at \$10,000,000 shall be deposited in the General Fund.

392 ~~[(5)]~~ (6) (a) Loans made from monies in the fund shall be supported by loan documents
393 evidencing the intent of the borrower to repay the loan.

394 (b) The original loan documents shall be filed with the Division of Finance and a copy
395 shall be filed with the department.

396 Section 7. Section **63-55-241** is amended to read:

397 **63-55-241. Repeal dates, Title 41.**

398 The following provisions of Title 41 are repealed on the following dates:

399 (1) Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program,

400 is repealed July 1, 2010.

401 (2) The HOV lane exception [~~for clean fuel special group license plate vehicles~~] in
402 Subsection 41-6-53.5(5) is repealed December 31, [~~2005~~] 2010.

403 Section 8. **Effective date -- Retrospective operation.**

404 (1) Except as provided in Subsections (2) and (3), this bill takes effect on May 2, 2005.

405 (2) Notwithstanding Subsection (1), the amendments to Section 41-6-53.5 take effect
406 on July 1, 2005.

407 (3) Notwithstanding Subsection (1), the amendments to Sections 59-7-605 and
408 59-10-127 have retrospective operation for taxable years beginning on or after January 1, 2005.

Legislative Review Note
as of 1-24-05 2:45 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0096

Amendments Relating to Clean Fuels and Vehicles Using Clean Fuels

28-Jan-05

4:11 PM

State Impact

Passage of this bill will extend an existing exemption. Annual revenue currently foregone is approximately \$300,000. There is however, no change from current practice.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst