

Senator Howard A. Stephenson proposes the following substitute bill:

CLEAN FUEL SCHOOL BUSES AND INFRASTRUCTURE

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen G. Handy

Senate Sponsor: J. Stuart Adams

LONG TITLE

General Description:

This bill provides funding to replace school buses and to create infrastructure for alternative fuel vehicles.

Highlighted Provisions:

This bill:

- ▶ provides funding for a qualifying school district or charter school:
 - to replace a school bus manufactured before 2002 with a new school bus that uses alternative fuel or clean diesel fuel and provide infrastructure to support new school buses; or
 - if a qualifying school district does not have any school buses manufactured before 2002, or the need for infrastructure to support clean fuel buses, for other infrastructure purposes;
- ▶ requires the State Board of Education to make rules; and
- ▶ requires the State Board of Education to:
 - facilitate training for bus drivers and bus shop technicians on the operation and maintenance of a school bus that uses alternative fuel; and
 - make a report to the Legislature.

Money Appropriated in this Bill:



26 This bill appropriates in fiscal year 2016:
 27 ▶ to the State Board of Education - Minimum School Program - Related to Basic
 28 School Program as a one-time appropriation:
 29 • from the Education Fund, \$20,000,000.

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 ENACTS:

34 **53A-17a-127.5**, Utah Code Annotated 1953



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

37 Section 1. Section **53A-17a-127.5** is enacted to read:

38 **53A-17a-127.5. Appropriation for school buses and alternative fuel**
 39 **infrastructure.**

40 (1) As used in this section:

41 (a) "Alternative fuel" means CNG, propane, blended biodiesel, electricity, fuel
 42 containing no more than 50% ethanol or methanol, or other available alternatives as dictated by
 43 emerging technologies.

44 (b) "Blended biodiesel" means fuel:

45 (i) consisting of 6% to 20% by volume of biodiesel and 80% to 94% by volume of
 46 clean diesel fuel; and

47 (ii) that meets ASTM D7467 standards.

48 (c) "Board" means the State Board of Education.

49 (d) "Clean diesel fuel" means diesel fuel with a sulfur content of no more than 15 parts
 50 per million (ppm).

51 (e) "Closed crankcase ventilation filter" means an emissions control device:

52 (i) designed to control emissions from crankcase blow-by aerosols; and

53 (ii) verified by the United States Environmental Protection Agency.

54 (f) "CNG" means compressed natural gas.

55 (g) "Combined capital levy rate" means a rate that includes the sum of the following
 56 property tax levies:

- 57 (i) the capital local levy authorized in Section 53A-16-113; and
- 58 (ii) the debt service levy authorized in Section 11-14-310.
- 59 (h) "Derived net taxable value" means the quotient of:
- 60 (i) the total property tax collections from April 1 through the following March 31 for a
- 61 school district for the calendar year preceding the March 31 date; divided by
- 62 (ii) the school district's total tax rate for the calendar year preceding the March 31
- 63 referenced in Subsection (h)(i).
- 64 (i) "Diesel oxidation catalyst" means an emissions control device:
- 65 (i) designed to reduce emissions from diesel engines; and
- 66 (ii) verified by the United States Environmental Protection Agency.
- 67 (j) "Nonattainment area" means an area designated by the United States Environmental
- 68 Protection Agency as nonattainment under the federal Clean Air Act, 42 U.S.C. Sec. 7420, for
- 69 any national ambient air quality standard.
- 70 (k) "Property tax yield per ADM" means:
- 71 (i) the product of:
- 72 (A) a school district's derived net taxable value; and
- 73 (B) the base tax effort rate; divided by
- 74 (ii) the school district's ADM.
- 75 (l) "Qualifying school district" means a school district with:
- 76 (i) a property tax yield per ADM less than the statewide average property tax base per
- 77 ADM; and
- 78 (ii) a combined capital levy rate higher than the average combined capital levy rate for
- 79 the school districts statewide.
- 80 (m) "Statewide average property tax base per ADM" means the quotient of:
- 81 (i) the sum of all school districts' derived net taxable value; divided by
- 82 (ii) the sum of all school districts' ADM.
- 83 (2) (a) The board shall, subject to appropriations and Subsection (3)(c), and using the
- 84 process described in Subsection (3), provide funding to a qualifying school district or a charter
- 85 school to:
- 86 (i) replace a school bus manufactured before 2002 with a new school bus that uses
- 87 alternative fuel or clean diesel fuel;

88 (ii) install an alternative fuel fueling station:
89 (A) for a school bus that uses alternative fuel; and
90 (B) that may be accessed by a governmental entity or the public to fuel an alternative
91 fuel vehicle; or

92 (iii) retrofit a bus shop to service and maintain a school bus that uses alternative fuel.
93 (b) Subject to Subsection (3)(c), a qualifying school district that does not have any
94 school buses manufactured before 2002 and does not need any of the clean fuel infrastructure
95 items described in Subsection (2)(a) may use funding received under this section for any other
96 infrastructure purpose.

97 (3) (a) Except as provided in Subsection (3)(b), and subject to Subsection (3)(c), the
98 board shall distribute funds available under this section to qualifying school districts according
99 to a funding formula adopted by the board that considers:

100 (i) the property tax effort of the qualifying school district, giving more funding to a
101 qualifying school district making a high tax effort; and

102 (ii) the qualifying school district's ability to generate property tax revenue based on the
103 per-student taxable value of property within the boundary of the qualifying school district,
104 giving more funding to a qualifying school district with low taxable value per-student.

105 (b) The board shall distribute \$500,000 of the funds available for distribution under
106 this section to charter schools through a grant program in accordance with the board rules
107 described in Subsection (5)(f).

108 (c) A qualifying school district or a charter school may receive funding under this
109 section if the qualifying school district or charter school provides matching funds in an amount
110 that is greater than or equal to the funding received under this section.

111 (4) A qualifying school district or charter school that receives funding under
112 Subsection (2) shall remove a replaced school bus from service by:

113 (a) selling the replaced school bus through a state-approved bidding process to a
114 non-public person located outside of the state;

115 (b) selling the replaced school bus through a state-approved bidding process to a public
116 or private person within or outside of the state if:

117 (i) the bus is retrofitted to have:

118 (A) a diesel oxidation catalyst; and

- 119 (B) a closed crankcase ventilation filter; and
120 (ii) the person purchasing or receiving the replaced school bus does not intend to use
121 the bus for regular travel within a nonattainment area; or
122 (c) selling the replaced school bus to a metal recycling facility for fair market scrap
123 value if:
124 (i) the replaced school bus is inoperable or made inoperable; and
125 (ii) selling the replaced school bus for fair market scrap value would generate more
126 money than selling the replaced school bus as described in Subsection (4)(a) or (4)(b).
127 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
128 board shall make rules that:
129 (a) implement the funding formula to distribute funding to qualifying school districts
130 described in Subsection (3)(a);
131 (b) require that a qualifying school district school that receives funding under this
132 section first use the funding to replace a bus manufactured before 2002 with a clean fuel bus or
133 for clean fuel infrastructure;
134 (c) allow a qualifying school district that does not have any school buses manufactured
135 before 2002 or other clean fuel infrastructure needs to use funding provided under this section
136 for other infrastructure purposes;
137 (d) require a qualifying school district or charter school that receives funding under this
138 section to ensure that a replaced school bus is removed from service as provided in Subsection
139 (4);
140 (e) require a qualifying school district or charter school that receives funding under this
141 section to expend the funding within two years of receiving the funding;
142 (f) require a qualifying school district or charter school that receives funding under this
143 section to provide matching funds in an amount that is greater than or equal to the amount of
144 funding received under this section.
145 (g) specify how the board will administer the grant program for charter schools
146 described in Subsection (3)(b); and
147 (h) in consultation with the Division of Air Quality, specify criteria for selecting a
148 charter school grant recipient.
149 (6) Through the state superintendent of public instruction, the board shall facilitate

150 training for bus drivers and bus shop technicians on the operation and maintenance of a school
151 bus that uses alternative fuel.

152 (7) On or before November 1, 2015, the board shall submit a report to the Public
153 Education Appropriations Subcommittee that:

154 (a) describes how qualifying school districts and charter schools that received funding
155 through the program used the funding; and

156 (b) includes recommendations regarding continuation of the program.

157 **Section 2. Appropriation.**

158 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
159 the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following sums of money
160 are appropriated from resources not otherwise appropriated, or reduced from amounts
161 previously appropriated, out of the funds or accounts indicated. These sums of money are in
162 addition to any amounts previously appropriated for fiscal year 2016.

163 To State Board of Education - Minimum School Program - Related to Basic
164 School Program

165 From Education Fund, One-time \$20,000,000

166 Schedule of Programs:

167 Clean Fuel School Buses and Infrastructure \$20,000,000

168 The Legislature intends that the State Board of Education, for new clean fuel school
169 buses, and pursuant to Section [53A-17a-127](#), expend:

170 (1) \$19,500,000 of the appropriation for Clean Fuel School Buses and Infrastructure to
171 qualifying school districts; and

172 (2) \$500,000 of the appropriation for Clean Fuel School Buses and Infrastructure to
173 charter schools.

174 **Section 3. Effective date.**

175 (1) Except as provided in Subsection (2), this bill takes effect on May 12, 2015.

176 (2) Section 2, Appropriation, takes effect on July 1, 2015.