

Representative Stephen G. Handy proposes the following substitute bill:

CLEAN FUEL CONVERSION AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen G. Handy

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill amends the Conversion to Alternative Fuel Grant Program.

Highlighted Provisions:

This bill:

- ▶ creates the Conversion to Alternative Fuel Grant Program Fund;
- ▶ authorizes the Department of Environmental Quality to make grants from the Conversion to Alternative Fuel Grant Program Fund to a person who installs conversion equipment on an eligible vehicle;
- ▶ repeals tax credits for conversion equipment for vehicles; ~~H→~~ **and**
- ~~[→ extends tax credits for certain vehicles; and] ←H~~
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates:

- ▶ to the Conversion to Alternative Fuel Grant Program Fund, as a one-time appropriation:
 - from the General Fund, ~~\$→~~ ~~[\$500,000]~~ \$150,000 ~~←\$~~ .

Other Special Clauses:

This bill provides a special effective date.

3rd Sub. H.B. 87



243 that the motor vehicle's emissions of regulated pollutants, when operating on a fuel listed in
 244 Subsection (2)(c)(i) or (ii), is less than the emissions were before the installation of the
 245 conversion equipment, as demonstrated by:]

246 [~~(A) certification of the conversion equipment by the federal Environmental Protection
 247 Agency or by a state that has certification standards recognized by the board;~~]

248 [~~(B) testing the motor vehicle, before and after installation of the conversion
 249 equipment, in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use
 250 Highway Vehicles and Engines, using all fuel the motor vehicle is capable of using;~~]

251 [~~(C) for a retrofit natural gas vehicle that is retrofit in accordance with Section
 252 19-1-406, testing that as a result of the retrofit, the retrofit natural gas vehicle satisfies the
 253 emission standards applicable under Section 19-1-406; or]~~

254 [~~(D) any other test or standard recognized by board rule, made in accordance with Title
 255 63G, Chapter 3, Utah Administrative Rulemaking Act; or]~~

256 [~~(ii) for purposes of special mobile equipment on which conversion equipment has
 257 been installed, that the special mobile equipment's emissions of regulated pollutants, when
 258 operating on a fuel listed in Subsection (2)(c)(i) or (ii), is less than the emissions were before
 259 the installation of conversion equipment, as demonstrated by:]~~

260 [~~(A) certification of the conversion equipment by the federal Environmental Protection
 261 Agency or by a state that has certification standards recognized by the board; or]~~

262 [~~(B) any other test or standard recognized by board rule, made in accordance with Title
 263 63G, Chapter 3, Utah Administrative Rulemaking Act.]~~

264 [~~(H) "Special mobile equipment":]~~

265 [~~(i) means any mobile equipment or vehicle that is not designed or used primarily for
 266 the transportation of persons or property; and]~~

267 [~~(ii) includes construction or maintenance equipment.]~~

268 (2) For the taxable years beginning on or after January 1, 2015, but beginning on or
 269 before December 31, [2016] ~~Ĥ~~ → **[2020] 2016** ← ~~Ĥ~~ , a taxpayer may claim a tax credit against
 269a tax otherwise due

270 under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to
 271 Pay Corporate Franchise or Income Tax Act, in an amount equal to:

272 (a) (i) for the original purchase of a new qualifying electric vehicle that is registered in
 273 this state, the lesser of:

398 (B) gasoline; or

399 (C) a mixture of gasoline and ethanol.

400 [~~(k) "Reduced emissions" means:~~]

401 [~~(i) for purposes of a motor vehicle on which conversion equipment has been installed;~~
402 ~~that the motor vehicle's emissions of regulated pollutants, when operating on a fuel listed in~~
403 ~~Subsection (2)(c)(i) or (ii), is less than the emissions were before the installation of the~~
404 ~~conversion equipment, as demonstrated by:]~~

405 [~~(A) certification of the conversion equipment by the federal Environmental Protection~~
406 ~~Agency or by a state that has certification standards recognized by the board;]~~

407 [~~(B) testing the motor vehicle, before and after installation of the conversion~~
408 ~~equipment, in accordance with 40 C.F.R. Part 86, Control of Emissions from New and In-use~~
409 ~~Highway Vehicles and Engines, using all fuel the motor vehicle is capable of using;]~~

410 [~~(C) for a retrofit natural gas vehicle that is retrofit in accordance with Section~~
411 ~~19-1-406, testing that as a result of the retrofit, the retrofit natural gas vehicle satisfies the~~
412 ~~emission standards applicable under Section 19-1-406; or]~~

413 [~~(D) any other test or standard recognized by board rule, made in accordance with Title~~
414 ~~63G, Chapter 3, Utah Administrative Rulemaking Act; or]~~

415 [~~(i) for purposes of special mobile equipment on which conversion equipment has~~
416 ~~been installed, that the special mobile equipment's emissions of regulated pollutants, when~~
417 ~~operating on a fuel listed in Subsection (2)(c)(i) or (ii), is less than the emissions were before~~
418 ~~the installation of conversion equipment, as demonstrated by:]~~

419 [~~(A) certification of the conversion equipment by the federal Environmental Protection~~
420 ~~Agency or by a state that has certification standards recognized by the board; or]~~

421 [~~(B) any other test or standard recognized by board rule, made in accordance with Title~~
422 ~~63G, Chapter 3, Utah Administrative Rulemaking Act.]~~

423 [~~(f) "Special mobile equipment":]~~

424 [~~(i) means any mobile equipment or vehicle not designed or used primarily for the~~
425 ~~transportation of persons or property; and]~~

426 [~~(ii) includes construction or maintenance equipment:]~~

427 (2) For the taxable years beginning on or after January 1, 2015, but beginning on or
428 before December 31, [2016] ~~↔~~ **[2020]** **2016** ~~↔~~ , a claimant, estate, or trust may claim a
428a nonrefundable tax

522 From General Fund, One-time \$→ [_____ \$500,000]
522a _____ \$150,000 ←\$

523 Schedule of Programs:

524 Conversion to Alternative Fuel Grant Program Fund \$→ [\$500,000]
524a _____ \$150,000 ←\$

525 The Legislature intends that the appropriation under this section be used by the Division
526 of Air Quality to provide grants to an individual who installs conversion equipment on an
527 eligible vehicle, as described by Title 19, Chapter 2, Part 3, Conversion to Alternative Fuel
528 Grant Program. The Legislature intends that, under Section 63J-1-603, appropriations under
529 this section not lapse at the close of fiscal year 2017.

530 Section 10. **Effective date.**

531 (1) Except as provided in Subsection (2), this bill takes effect on May 10, 2016.

532 (2) The amendments to Sections 59-7-605 and 59-10-1009 take effect for a taxable
533 year beginning on or after January 1, 2017.