VEHICLE EMISSIONS REDUCTION PROGRAM

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeffrey D. Stenquist

Senate Sponsor: ____________

LONG TITLE

General Description:

This bill enacts the Vehicle Emissions Reduction Program as part of the Air Conservation Act.

Highlighted Provisions:

This bill:

- defines terms;
- creates the Vehicle Emissions Reduction Program Restricted Account;
- creates the Vehicle Emissions Reduction Program (program) to provide financial assistance to an eligible individual in the purchase of a motor vehicle under certain conditions;
- establishes eligibility criteria for participation in the program;
- requires certain local health departments to assist in administering the program;
- allows the Air Quality Board to make rules for the administration of the program;
- requires the Division of Air Quality under certain circumstances to conduct a public service campaign; and
- provides a sunset date for the program, subject to review.

Money Appropriated in this Bill:

None

Other Special Clauses:

None
Utah Code Sections Affected:

AMENDS:

631-1-219, as last amended by Laws of Utah 2021, Chapter 69
631-1-226, as last amended by Laws of Utah 2021, Chapters 13, 50, 64, 163, 182, 234, and 417

ENACTS:

19-2-401, Utah Code Annotated 1953
19-2-402, Utah Code Annotated 1953
19-2-403, Utah Code Annotated 1953
19-2-404, Utah Code Annotated 1953
19-2-405, Utah Code Annotated 1953
19-2-406, Utah Code Annotated 1953
19-2-407, Utah Code Annotated 1953
26A-1-131, Utah Code Annotated 1953

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

Section 1. Section 19-2-401 is enacted to read:

Part 4. Vehicle Emissions Reduction Program


As used in this part:

(1) "Certification" means the Vehicle Emissions Reduction Program certification described in Section 26A-1-131.

(2) "Eligible replacement vehicle" means a motor vehicle as defined in Section 41-1a-102 that:

(a) emits emissions that are equal to or cleaner than the standards established in Bin 160 in Table 2 of 40 C.F.R. 86.1811-17(b)(4)(i);

(b) is of the current or previous five model years;

(c) has an odometer reading equal to or less than 70,000 miles; and

(d) costs no more than $40,000 before tax, title, and licensing.

(3) "Eligible trade-in vehicle" means a motor vehicle as defined in Section 41-1a-102 that:
(a) is of the model year 2003 or older;
(b) (i) is registered or regularly operates in a county:
   (A) located in a nonattainment area or maintenance area; or
   (B) required to have a motor vehicle emissions inspection and maintenance program
under Section 41-6a-1642; or
(ii) was reported to the department as emitting excessive amounts of smoky exhaust
   while being driven through a county:
   (A) located in a nonattainment area or maintenance area; or
   (B) required to have a motor vehicle emissions inspection and maintenance program
under Section 41-6a-1642;
(c) failed the emissions inspection required under Section 41-6a-1642 within the
   previous 30 days;
(d) is registered in the qualified vehicle owner's name;
(e) has been registered in the state within the previous 12 months; and
(f) is drivable under the motor vehicle's own power.
(4) "Federal poverty level" means the poverty level as defined by the most recent
poverty income guidelines published by the United States Department of Health and Human
Services in the Federal Register.
(5) "Local health department" means the same as that term is defined in Section
26A-1-102.
(6) "Maintenance area" means the same as that term is defined in 40 C.F.R. Sec.
93.101.
(7) "Nonattainment area" means a part of the state where air quality is determined to
exceed the National Ambient Air Quality Standards, as defined in the Clean Air Act
Amendments of 1970, Pub. L. No. 91-604, Sec. 109, for fine particulate matter (PM 2.5).
(8) "Participating dealer" means a dealer as defined in Section 41-3-102 that signs a
written agreement described in Section 19-2-404 with a local health department to participate
in the program.
(9) "Participating recycler" means a person who:
   (a) (i) is a crusher as defined in Section 41-3-102; or
   (ii) is a dismantler as defined in Section 41-3-102; and
(b) signs a written agreement described in Section 19-2-405 with a local health department to participate in the program.

(10) "Qualified vehicle owner" means an individual who:
(a) has a household income less than or equal to 500% of the federal poverty level; and
(b) owns an eligible trade-in vehicle.

(11) "Vehicle Emissions Reduction Program" or "program" means the program established in Section 19-2-403.

Section 2. Section 19-2-402 is enacted to read:


(1) As used in this section, "restricted account" means the Vehicle Emissions Reduction Program Restricted Account created in this section.

(2) There is created within the General Fund a restricted account known as the Vehicle Emissions Reduction Program Restricted Account.

(3) The restricted account consists of:
(a) any voluntary monetary contributions received;
(b) proceeds from the sale of eligible trade-in vehicles to participating recyclers;
(c) appropriations the Legislature makes to the restricted account; and
(d) interest accrued in accordance with Subsection (4)(b).

(4) The state treasurer shall:
(a) invest the money in the restricted account by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and
(b) deposit all interest or other earnings derived from the investments described in Subsection (4)(a) into the restricted account.

(5) (a) Subject to legislative appropriations, the division shall expend money from the restricted account to provide financial assistance:
(i) to qualified vehicle owners who purchase eligible replacement vehicles in accordance with the program;
(ii) in a total amount of up to $6,500,000; and
(iii) in amounts that increase on the sliding scale described in Subsection 19-2-406(f) based on:
(A) the emissions performance of the purchased eligible replacement vehicle; and

(B) the emissions performance of the eligible trade-in vehicle.

(b) The division may use money in the restricted account to:

(i) administer the program in accordance with this part; or

(ii) assist a local health department to carry out the provisions of this part.

Section 3. Section 19-2-403 is enacted to read:


(1) There is created the Vehicle Emissions Reduction Program to provide financial assistance to qualified vehicle owners in purchasing eligible replacement vehicles.

(2) To receive financial assistance under the program, a qualified vehicle owner shall:

(a) in accordance with rules made under this part, apply for and obtain from a local health department a certification that states the level of assistance the qualified vehicle owner is eligible to receive;

(b) deliver to a participating dealer:

(i) the qualified vehicle owner's eligible trade-in vehicle, including title to the vehicle;

and

(ii) the certification described in Subsection (2)(a); and

(c) purchase an eligible replacement vehicle from the participating dealer.

(3) The division shall implement the program beginning January 1, 2023.

Section 4. Section 19-2-404 is enacted to read:


(1) To participate in the Vehicle Emissions Reduction Program, a dealer as defined in Section 41-2-102 shall sign an agreement with a local health department that requires the dealer to:

(a) surrender to a participating recycler each eligible trade-in vehicle the dealer receives under the program; and

(b) follow rules made in accordance with this part to receive reimbursement under the program.

(2) When a qualifying vehicle owner purchases an eligible replacement vehicle in accordance with the program, the participating dealer shall:

(a) credit the qualifying vehicle owner's purchase with the amount of financial
assistance the qualifying vehicle owner's certification specifies;
(b) surrender to a participating recycler the eligible trade-in vehicle in accordance with
the agreement described in Subsection (1); and
(c) on or before June 30, 2027, provide the local health department that issued the
certification:
(i) a copy of the contract of sale;
(ii) a copy of the redeemed certification;
(iii) a picture of the purchased vehicle's emission information sticker;
(iv) a receipt showing that a participating recycler received the eligible trade-in vehicle
and the eligible trade-in vehicle's title; and
(v) a request for reimbursement.
Section 5. Section 19-2-405 is enacted to read:

19-2-405. Participating recyclers.

To participate in the Vehicle Emissions Reduction Program, a dismantler or crusher as
those terms are defined in Section 41-3-102 shall sign an agreement with a local health
department that requires the dismantler or crusher to:
(1) for each motor vehicle the dismantler or crusher receives in connection with the
program:
(a) (i) crush the entire motor vehicle for scraps; or
(ii) permanently disable the motor vehicle by:
(A) cutting a three-inch by three-inch hole in the engine block; or
(B) cutting through the motor vehicle frame on each side at a point located between the
front and rear axles;
(b) sell:
(i) nonengine parts; and
(ii) from the engine and emissions system, scrap metal only; and
(c) remit money obtained from the sale of nonengine parts and scrap metal described in
Subsection (1)(b) to the local health department;
(2) on a monthly basis, send the local health department:
(a) a list of each vehicle, including each vehicle's vehicle identification number, the
dismantler or crusher received in connection with the program; and
(b) money the dismantler or crusher owes for each vehicle surrendered to the

dismantler or crusher as described in Subsection 19-2-404(1)(a); and

(3) comply with rules made under this part.

Section 6. Section 19-2-406 is enacted to read:


(1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

board may make rules to:

(a) carry out the provisions of this part;

(b) establish the certification and reimbursement process described in this part;

(c) ensure that an individual who receives financial assistance under both this program

and any similar program relying on federal funding does not receive an amount more than the

highest amount that the individual is qualified to receive under either program alone;

(d) ensure that an eligible trade-in vehicle surrendered in accordance with the program

is converted to scrap or otherwise disposed of;

(e) ensure that no engine part or emissions control system from an eligible trade-in

vehicle surrendered in accordance with the program is resold, except as scrap metal; and

(f) establish a sliding scale for financial assistance in accordance with this part that:

(i) provides up to $5,500 in financial assistance to a qualified vehicle owner who

purchases an eligible replacement vehicle under the program; and

(ii) is based on:

(A) the emissions performance of the purchased eligible replacement vehicle; and

(B) the emissions performance of the eligible trade-in vehicle.

(2) In making the rules under this section, the board shall:

(a) consider recommendations from the division; and

(b) where applicable, coordinate with the interested local health departments.

Section 7. Section 19-2-407 is enacted to read:


(1) Subject to legislative appropriations, the division shall conduct a public service

campaign to educate the public about:

(a) smog ratings of motor vehicles;

(b) the benefits to the state of lowering motor vehicle emissions;
financial assistance available through the program; and
any other program the division administers that is aimed at reducing air pollution or improving air quality in nonattainment areas or maintenance areas.
(2) The division may issue a request for proposals to assist the division in fulfilling the requirements of this section.
Section 8. Section 26A-1-131 is enacted to read:
(1) As used in this section:
(a) "Eligible replacement vehicle" means the same as that term is defined in Section 19-2-401.
(b) "Participating dealer" means the same as that term is defined in Section 19-2-401.
(c) "Qualified vehicle owner" means the same as that term is defined in Section 19-2-401.
(d) "Vehicle Emissions Reduction Program" or "program" means the program described in Section 19-2-403.
(2) If a local health department is located in a county required to have a motor vehicle emissions inspection and maintenance program under Section 41-6a-1642, the local health department shall participate in the Vehicle Emissions Reduction Program.
(3) In accordance with rules made under Section 19-2-406, a local health department described in Subsection (2) shall accept an application to receive a certification for financial assistance under the program.
(4) After receiving an application for certification as described in Subsection (3), a local health department shall:
(a) determine whether the applicant is a qualified vehicle owner; and
(b) if the applicant is a qualified vehicle owner:
(i) determine the amount of assistance the qualified vehicle owner is eligible to receive in accordance with the sliding scale described in Subsection 19-2-406(1)(f);
(ii) issue the qualified vehicle owner a certification stating:
(A) the amount described in Subsection (4)(b)(i); and
(B) any other information the Air Quality Board requires on the certification; and
(iii) require the qualified vehicle owner to complete a survey designed to:
(A) determine the qualified vehicle owner's motivation for participating in the program; and
(B) assess the extent to which the financial assistance that the qualified vehicle owner received under the program influenced the qualified vehicle owner's decision to purchase an eligible replacement vehicle.

(5) On a quarterly basis, each local health department shall submit completed surveys described in Subsection (4)(b)(iii) to the Division of Air Quality.

(6) In accordance with rules made under Section 19-2-406, a local health department shall enter into agreements described in Sections 19-2-404 and 19-2-405.

(7) A local health department that receives a participating dealer's request for reimbursement in accordance with Section 19-2-404 shall reimburse the participating dealer for the amount the dealer credited the qualifying vehicle owner as indicated on the certification described in Subsection (4)(a).

(8) On a quarterly basis, each local health department shall submit to the Division of Air Quality:
(a) a request for reimbursement in the amount determined by taking the amount the local health department reimbursed participating dealers in accordance with Subsection (7) and deducting the amount participating recyclers submitted to the local health department under Subsection 19-2-405(2)(b); and
(b) all documents and information submitted to the local health department under Subsection 19-2-404(2)(c) or 19-2-405(2).

Section 9. Section 63I-1-219 is amended to read:

63I-1-219. Repeal dates, Title 19.

(1) Title 19, Chapter 2, Air Conservation Act, is repealed July 1, 2029.
(2) Title 19, Chapter 2, Part 4, Vehicle Emissions Reduction Program, is repealed July 1, 2027.
(3) Section 19-2a-102 is repealed July 1, 2026.
(4) Section 19-2a-104 is repealed July 1, 2022.
(5) Title 19, Chapter 4, Safe Drinking Water Act, is repealed July 1, 2024.
(6) Title 19, Chapter 5, Water Quality Act, is repealed July 1, 2029.
(7) Title 19, Chapter 6, Part 1, Solid and Hazardous Waste Act, is repealed July 1, 2026.
Title 19, Chapter 6, Part 3, Hazardous Substances Mitigation Act, is repealed July 1, 2030.

Title 19, Chapter 6, Part 4, Underground Storage Tank Act, is repealed July 1, 2028.

Title 19, Chapter 6, Part 6, Lead Acid Battery Disposal, is repealed July 1, 2026.

Title 19, Chapter 6, Part 7, Used Oil Management Act, is repealed July 1, 2029.

Title 19, Chapter 6, Part 8, Waste Tire Recycling Act, is repealed July 1, 2030.

Title 19, Chapter 6, Part 10, Mercury Switch Removal Act, is repealed July 1, 2027.

Section 10. Section 63I-1-226 is amended to read:

63I-1-226. Repeal dates, Title 26 and Title 26A.

(1) Subsection 26-1-7(1)(f), related to the Residential Child Care Licensing Advisory Committee, is repealed July 1, 2024.

(2) Subsection 26-1-7(1)(h), related to the Primary Care Grant Committee, is repealed July 1, 2025.

(3) Section 26-1-7.5, which creates the Utah Health Advisory Council, is repealed July 1, 2025.

(4) Section 26-1-40 is repealed July 1, 2022.

(5) Section 26-1-41 is repealed July 1, 2026.

(6) Section 26-7-10 is repealed July 1, 2025.

(7) Subsection 26-7-11(5), regarding reports to the Legislature, is repealed July 1, 2028.

(8) Section 26-7-14 is repealed December 31, 2027.

(9) Title 26, Chapter 9f, Utah Digital Health Service Commission Act, is repealed July 1, 2025.

(10) Subsection 26-10-6(5), which creates the Newborn Hearing Screening Committee, is repealed July 1, 2026.
(11) Section 26-10b-106, which creates the Primary Care Grant Committee, is repealed July 1, 2025.

(12) Subsection 26-15c-104(3), relating to a limitation on the number of microenterprise home kitchen permits that may be issued, is repealed on July 1, 2022.

(13) Subsection 26-18-2.6(9), which addresses reimbursement for dental hygienists, is repealed July 1, 2028.

(14) Section 26-18-27 is repealed July 1, 2025.

(15) Title 26, Chapter 18, Part 2, Drug Utilization Review Board, is repealed July 1, 2027.


(17) Section 26-33a-117 is repealed on December 31, 2023.

(18) Title 26, Chapter 33a, Utah Health Data Authority Act, is repealed July 1, 2024.

(19) Title 26, Chapter 36b, Inpatient Hospital Assessment Act, is repealed July 1, 2024.

(20) Title 26, Chapter 36c, Medicaid Expansion Hospital Assessment Act, is repealed July 1, 2024.

(21) Title 26, Chapter 36d, Hospital Provider Assessment Act, is repealed July 1, 2024.

(22) Section 26-39-201, which creates the Residential Child Care Licensing Advisory Committee, is repealed July 1, 2024.

(23) Section 26-40-104, which creates the Utah Children's Health Insurance Program Advisory Council, is repealed July 1, 2025.

(24) Section 26-50-202, which creates the Traumatic Brain Injury Advisory Committee, is repealed July 1, 2025.

(25) Title 26, Chapter 54, Spinal Cord and Brain Injury Rehabilitation Fund and Pediatric Neuro-Rehabilitation Fund, is repealed January 1, 2025.

(26) Title 26, Chapter 63, Nurse Home Visiting Pay-for-Success Program, is repealed July 1, 2026.

(27) Title 26, Chapter 66, Early Childhood Utah Advisory Council, is repealed July 1, 2026.

(28) Title 26, Chapter 68, COVID-19 Vaccine Restrictions Act, is repealed July 1,
(29) Section 26A-1-131 is repealed July 1, 2027.