

# HB0405S01 compared with HB0405

~~text~~ shows text that was in HB0405 but was deleted in HB0405S01.

text shows text that was not in HB0405 but was inserted into HB0405S01.

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Senator Kirk A. Cullimore proposes the following substitute bill:

## SWITCHER AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mike Schultz**

Senate Sponsor: ~~\_\_\_\_\_~~ Kirk A. Cullimore

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### LONG TITLE

#### General Description:

This bill enacts ~~requirements~~ provisions related to a switcher for railroad cars.

#### Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ requires that owners of switchers ~~use certain power sources~~ enter into agreements with the state by a specified date if a grant is received;
- ▶ authorizes grants related to switchers;
- ▶ addresses funding of grants and programs; and
- ▶ makes technical changes.

#### Money Appropriated in this Bill:

None

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### Other Special Clauses:

None

### Utah Code Sections Affected:

#### AMENDS:

19-2-202, as last amended by Laws of Utah 2016, Chapter 321

19-2-203, as enacted by Laws of Utah 2014, Chapter 295

19-2-204, as enacted by Laws of Utah 2014, Chapter 295

#### ENACTS:

56-1-39, Utah Code Annotated 1953

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

#### Section 1. Section 19-2-202 is amended to read:

##### **19-2-202. Definitions.**

As used in this part:

- (1) "Board" means the Air Quality Board.
- (2) "Certified" means certified by the United States Environmental Protection Agency or the California Air Resources Board to meet appropriate emission standards.
- (3) "Cost" means the total reasonable cost of a project eligible for a grant under the fund, including the cost of labor.
- (4) "Director" means the director of the Division of Air Quality.
- (5) "Division" means the Division of Air Quality, created in Subsection 19-1-105(1)(a).
- (6) "Eligible equipment" means equipment with engines, including stationary generators and pumps, operated and, if applicable, permitted in Utah.
- (7) "Eligible vehicle" means a vehicle operated and, if applicable, registered in Utah that is:
  - (a) a medium-duty or heavy-duty transit bus;
  - (b) a school bus as defined in Section 53-3-102;
  - (c) a medium-duty or heavy-duty truck with a gross vehicle weight rating of at least 16,001 GVWR;
  - (d) a locomotive; or
  - (e) another type of vehicle identified by the board in rule as being a significant

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potential source of air pollution, as defined in Section 19-2-102.

(8) "Switcher" means the same as that term is defined in Section 56-1-39.

~~[(8)]~~ (9) "Verified" means verified by the United States Environmental Protection Agency or the California Air Resources Board to reduce air emissions and meet durability requirements.

Section 2. Section 19-2-203 is amended to read:

### **19-2-203. Grants and programs -- Conditions.**

(1) The director may make grants for implementing:

- (a) verified technologies for eligible vehicles or equipment; and
- (b) certified vehicles, engines, or equipment.

(2) (a) Pursuant to Subsection (1), the director may make grants for the reduction of switcher emissions.

(b) Subject to Subsection (2)(c), the division shall seek sources of funding in addition to appropriations when making grants for the reduction of switcher emissions, including from:

(i) the Diesel Emissions Reduction Act program;

(ii) local government entities; and

(iii) private sources.

(c) If money other than appropriations is received, a grant made for the reduction of switcher emissions shall be made using that money first, up to the maximum amount allowed by that money's funding terms and conditions, and then may be supplemented by appropriated money subject to Subsection (6)(b).

~~[(2)]~~ (3) (a) The division may develop programs, including exchange, rebate, or low-cost purchase programs, to encourage replacement of:

(i) landscaping and maintenance equipment with equipment that is lower in emissions; and

(ii) other equipment or products identified by the board in rule as being a significant potential source of air pollution, as defined in Subsection 19-2-102(3).

(b) The division may enter into agreements with local health departments to administer the programs described in Subsection ~~[(2)]~~ (3)(a).

~~[(3)]~~ (4) As a condition for receiving the grant, a person receiving a grant under Subsection (1) or receiving a grant under this Subsection ~~[(3)]~~ (4) shall agree to:

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- (a) provide information to the division about the vehicles, equipment, or technology acquired with the grant proceeds;
- (b) allow inspections by the division to ensure compliance with the terms of the grant;
- (c) permanently disable replaced vehicles, engines, and equipment from use; and
- (d) comply with the conditions for the grant.

~~[(4)]~~ (5) Grants and programs under Subsections (1) and ~~[(2)]~~ (3) may be administered using a rebate program.

~~[(5) Grants]~~ (6) (a) Subject to Subsection (6)(b), a grant issued under this section may not exceed the actual cost of the project.

(b) For a grant issued under Subsection (2):

(i) grant money may not exceed 35% of the actual cost of the project;

(ii) the owner of a switcher shall provide at least 25% of the cost of the project; and

(iii) federal grants may be used for the remainder of the cost of the project.

Section 3. Section 19-2-204 is amended to read:

### **19-2-204. Duties and authorities -- Rulemaking.**

(1) The board may, by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules:

- (a) specifying the amount of money to be dedicated annually for grants or appropriations that allow both grants and programs;
- (b) specifying criteria the director shall consider in prioritizing and awarding grants, including:
  - (i) a preference for awarding a grant to an individual who has already secured some other source of funding; and
  - (ii) a limitation on the types of vehicles that are eligible for funds;
  - (c) specifying the terms of a grant or exchange under Subsections 19-2-203(2), (3), [and] (4), and ~~(4)~~ (5);
  - (d) specifying the procedures to be used in the grant and exchange programs authorized in Subsections 19-2-203(2), (3), [and ~~(5)] (4), and (6)~~; and
  - (e) requiring [all grant applicants] a grant applicant to apply on [forms] a form provided by the division.
- (2) The division shall:

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- (a) administer funds to encourage vehicle and equipment owners and operators to reduce emissions from vehicles and equipment;
- (b) provide forms for application for a grant or exchange under Subsection 19-2-203(2) ~~[or (3)]~~, (3) or (4); and
- (c) provide information about which vehicles, engines, or equipment are certified and which technology is verified as provided in this part.

(3) The division may inspect vehicles, equipment, or technology for which a grant was made to ensure compliance with the terms of the grant.

Section ~~{1}~~4. Section **56-1-39** is enacted to read:

### **56-1-39. Switcher for railroad cars.**

(1) As used in this section, "switcher" means a railroad car designed or used solely for the primary purpose of propelling railroad cars a short distance or assembling or disassembling railroad cars.

(2) By no later than ~~{January}~~July 1, ~~{2028}~~2023, the owner of a switcher ~~{shall ensure that the switcher is powered wholly by a hydrogen fuel cell or battery-electric power if the switcher is }~~located at a rail yard in the state that has four or more switchers at the rail yard shall enter into an agreement with the state to replace four Tier 0+ switchers with four Tier 2 switchers if the owner receives a grant under Section 19-2-203.