HOUSE DOCKET, NO. 238 FILED ON: 1/13/2011

HOUSE . . . . . No. 253

The Commonwealth of Massachusetts

PRESENTED BY:

Frank I. Smizik

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act to promote the reduction of green house gas emissions and to reduce the use of fossil fuels for vehicles in the Commonwealth..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Frank I. Smizik	*15th Norfolk*
Peter V. Kocot	*1st Hampshire*
William N. Brownsberger	☐ *[District]* ☐
Alice K. Wolf	*25th Middlesex*
Angelo J. Puppolo, Jr.	*12th Hampden*
Tom Sannicandro	*7th Middlesex*
Denise Provost	*27th Middlesex*
Ellen Story	*3rd Hampshire*
Antonio F. D. Cabral	*13th Bristol*

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HOUSE . . . . . No. 253

By Mr. Smizik of Brookline, a petition (accompanied by bill, House, No. 253) of Frank I. Smizik and others for the establishment of a clean vehicle emissions incentive program within the Executive Office of Energy and Environmental Affairs. Environment, Natural Resources and Agriculture.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *3675* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act to promote the reduction of green house gas emissions and to reduce the use of fossil fuels for vehicles in the Commonwealth..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 25A of the General Laws is hereby amended by inserting after Section 12 the following new section:

Section 13. Clean Vehicle Incentive Program

One. Definitions: For the purposes of this chapter the following words shall have the following meanings:—

(a) "Carbon dioxide equivalent" means a metric, as determined by the Executive Office of Energy and Environmental Affairs (EOEEA), used to compare or identify the emissions from various greenhouse gases based upon their global warming potential derived by multiplying the tons of the gas by the associated global warming potential.

(b) "Global Warming Potential" means a measure of the relative radiative effect of a given substance compared to carbon dioxide, integrated over a time horizon of 100 years, as determined by the most recent Assessment Report from the United Nations Intergovernmental Panel on Climate Change.

14 (c) “Greenhouse gas factor” means a percentage, as determined by EOEEA, assigned to
15 carbon dioxide equivalent emissions per mile from a motor vehicle. At the discretion of the
16 EOEEA, this may be expressed in percentage divided by grams of carbon dioxide equivalent per
17 mile (%/g CO2 -eq/mi).

18 (d) “Greenhouse gases” means carbon dioxide, hydrofluorocarbons, methane, oxides of
19 nitrogen, perfluorocarbons, and sulfur hexafluoride, and any other gases that the EOEEA
20 determines contributes significantly to global warming.

21 (e) “Motor vehicle” and “vehicle” means a passenger vehicle, light-duty truck, or any
22 other vehicle that is required to be registered under Chapter 90 Section 2 of the General Laws.

23 (f) “Program” means the Clean Vehicle Incentive Program established pursuant to this
24 act.

25 (g) “Zero band” means that portion of a linear scale of rebates and surcharges in which
26 vehicles are assigned neither a rebate nor a surcharge.

27 Two. No later than July 1, 2009, the EOEEA, in consultation with those other agencies
28 that it determines are appropriate, shall adopt regulations to create and implement a clean vehicle
29 incentive program as described in this act and thereafter it shall administer this program.

30 (a) The regulations shall establish a schedule of clean vehicle rebates and emissions
31 surcharges for all new motor vehicles sold after July 1, 2013.

32 (b) The schedule of rebates and surcharges shall take effect July 1, 2013, and shall apply
33 to motor vehicles with the 2014 model year and each model year thereafter.

34 Three. The EOEEA shall calculate, using a linear scale, the rebate or surcharge to be
35 applied to any motor vehicle subject to the program based on the vehicle’s emissions of
36 greenhouse gases, compared to the greenhouse gas emissions of all vehicles of the same model
37 year that are subject to the program. To calculate the rebate or surcharge, as a percentage of the
38 Manufacturer’s Suggested Retail Price (MSRP), the EOEEA shall determine the difference
39 between a motor vehicle’s emissions of greenhouse gases, and the average emissions of
40 greenhouse gases of all vehicles subject to the program, for a given model year. The difference
41 identified for each vehicle based on emissions of greenhouse gases shall be multiplied by a
42 greenhouse gas factor, to determine the rebate or surcharge percentage attributed to emissions of
43 greenhouse gases. This percentage shall be multiplied by the vehicle's MSRP to determine the
44 value of the rebate or surcharge. Based on these calculations the EOEEA shall assign a rebate or
45 surcharge to every motor vehicle subject to this program that reflects its relative emissions of
46 greenhouse gases, compared to all vehicles for the same model year that are subject to the
47 program, and subject to all of the following:

48 (a) The EOEEA shall establish a zero band that includes the midpoint of the linear scale
49 and includes not less than 20 percent, nor more than 25 percent, of the fleet of a given model
50 year. Motor vehicles that fall within the zero band shall not be assigned a rebate or a surcharge.
51 The zero band shall be designed, placed, and adjusted along the linear scale to ensure that vehicle
52 buyers continue to have a variety of choices among multiple vehicle types, including light trucks,
53 that are not assigned a surcharge.

54 (b) The schedule of rebates and surcharges shall be designed to ensure that the program
55 will be self-financing and will generate adequate revenues to do all the following:

56 (1) Fund the cost of all rebates and surcharge refunds associated with the program.

57 (2) Fund all administrative costs associated with the program.

58 (3) Provide for a reserve within the program equal to approximately 15 percent of
59 estimated rebates to ensure the account, to the extent possible, will have a positive balance at the
60 end of each fiscal year.

61 (c) Once the schedule of rebates and surcharges are set for vehicles in a specified model
62 year, the schedule may be adjusted no more than once per model year to meet the requirements
63 of this section. Any adjustments pursuant to this section shall become operative on the first day
64 of the first month that commences at least 90 days after the EOEEA formally adopts the
65 adjustment to the schedule.

66 (d) The EOEEA shall make annual adjustments to the schedule of surcharges and
67 rebates, and the placement of the zero band, based on recent and anticipated changes in motor
68 vehicle sales to ensure that the program continues to generate adequate revenues to meet the
69 requirements of this section.

70 (e) The schedule of rebates and surcharges, as adjusted annually, shall take effect no
71 earlier than July 1 of each subsequent year, and be applied to new vehicles of the next model
72 year accordingly.

73 (f) The maximum rebate and surcharge shall be 10%.

74 Four. The rebates and surcharges adopted under this section by the EOEEA shall be
75 assigned to the price of the motor vehicle after applicable taxes have been added. Sales taxes
76 shall not have an effect on the assigned rebate or surcharge. Any Massachusetts resident who
77 purchases a new motor vehicle at a retail sale in Massachusetts shall receive a clean vehicle
78 rebate for the purchase on or after July 1, 2013, of a new motor vehicle of model year 2014 or
79 later, determined by the EOEEA to be eligible for a rebate in the amount assigned by the EOEEA
80 pursuant to regulations adopted under this act.

81 (a) The dealer shall clearly display on the vehicle the amount of the rebate or fee owed,
82 and indicate the amount on the purchase receipt and sales contract or lease agreement as
83 applicable for each vehicle available for sale or lease at the dealership.

84 (b) In order to receive the rebate, the motor vehicle owner shall file a claim through the
85 dealer at the time of purchase.

86 (c) The dealer shall facilitate and accept these claims from the new motor vehicle owner
87 and shall submit these claims to the Registry of Motor Vehicles (RMV) on a form prescribed by
88 the EOEEA.

89 (d) Any Massachusetts resident who purchases a new motor vehicle outside of the state
90 that would otherwise have been subject to an emissions surcharge shall pay the surcharge when
91 the resident returns to Massachusetts with the vehicle within 90 days and registers or is required
92 to register the motor vehicle.

93 (e) The surcharge shall be paid to the RMV at the time of the vehicle's initial registration.
94 The EOEEA and the RMV shall cooperate to develop procedures to implement the Program.

95 (f) Vehicles purchased outside of Massachusetts shall not be eligible for a rebate.

96 (g) Any Massachusetts resident who leases from a dealer a new motor vehicle, otherwise
97 subject to an emissions surcharge, for a term of one year or more, shall be assessed and shall pay
98 the surcharge, but may amortize the surcharge over the life of the lease. Any Massachusetts
99 resident who leases from a dealer a new motor vehicle, otherwise subject to a rebate, for a term
100 of one year or more shall qualify for and receive the rebate.

101 (h) The RMV shall collect all surcharges and pay all rebates assessed under this section.

102 (i) Not later than May 1, 2013, the EOEEA shall make available to the public the
103 schedule of rebates and surcharges applicable in the fiscal year following their publication. The
104 updated schedule shall be made available to the public at the time when it is updated.

105 (j) The EOEEA shall disseminate information to dealers and consumers about the
106 program.

107 (k) The EOEEA may regularly collect adequate data from motor vehicle manufacturers to
108 calculate a vehicle's emissions of greenhouse gases to carry out the provisions of this act. This
109 act does not require the board to conduct additional vehicle testing to make the determinations
110 required by this act.

111 (l) In adopting regulations pursuant to this section, the EOEEA shall determine a manner
112 to account for vehicles that run on an alternative fuel.