

# HOUSE . . . . . No. 3675

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Nine  
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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:*

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

3           SECTION 13. Clean Vehicle Incentive Program

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

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

10          (b) “Global Warming Potential” means a measure of the relative radiative effect of a  
11   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.

(c) “Greenhouse gas factor” means a percentage, as determined by EOEEA, assigned to carbon dioxide equivalent emissions per mile from a motor vehicle. At the discretion of the EOEEA, this may be expressed in percentage divided by grams of carbon dioxide equivalent per mile (%/g CO<sub>2</sub> -eq/mi).

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

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

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

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

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

(a) The regulations shall establish a schedule of clean vehicle rebates and emissions surcharges for all new motor vehicles sold after July 1, 2010.

(b) The schedule of rebates and surcharges shall take effect July 1, 2010, and shall apply to motor vehicles with the 2011 model year and each model year thereafter.

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

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

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

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

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

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

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

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

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

(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, 2010, of a new motor vehicle of model year 2011 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, 2010, 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.