

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1595

Short Title: Reduce Emissions from Mobile Sources Program. (Public)

Sponsors: Representatives Alexander, Tolson (Primary Sponsors); Faison and Harrison.

Referred to: Finance.

May 5, 2005

A BILL TO BE ENTITLED

AN ACT TO REDUCE MOBILE SOURCE EMISSIONS BY ESTABLISHING A
MOBILE SOURCE EMISSIONS REDUCTION PROGRAM FUNDED BY AN
EMISSIONS-BASED SURCHARGE ON VEHICLE REGISTRATION FEES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 36 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 4. Mobile Source Emissions Reduction Program.

"§ 143-345.19. Mobile Source Emissions Reduction Program established.

(a) Establishment. – There is established the Mobile Source Emissions Reduction Program in the Department of Administration. The Program is to be administered by the State Energy Office.

(b) Purposes. – The Program shall provide for grants for the following purposes:

- (1) Payments to the first owner, other than for resale, of alternative fuel vehicles and hybrid vehicles.
- (2) Payments to users of alternative fuels to offset the higher cost of alternative fuel as compared to other motor fuels.
- (3) Alternative fuel infrastructure projects.
- (4) EPA-approved anti-idling technologies.
- (5) Payments for the installation of particulate traps and oxidation catalysts on diesel vehicles.

(c) Definitions. – The following definitions apply in this Part:

- (1) Alternative fuel. – Defined in G.S. 105-449.130.
- (2) Alternative fuel vehicle. – An original equipment manufactured motor vehicle that operates on an alternative fuel and a motor vehicle that is converted to a motor vehicle that operates on an alternative fuel when the conversion is certified by the United States Environmental Protection Agency.

(3) Hybrid vehicle. – A motor vehicle with a hybrid propulsion system that operates on both electricity and a petroleum-based motor fuel.

"§ 143-345.19A. Implementation.

The State Energy Office, in consultation with the Department of Environment and Natural Resources, shall adopt rules regarding the implementation of the Mobile Source Emissions Reduction Program. These rules shall be adopted after consultation with the Department of Transportation, the Department of Correction, the Department of Public Instruction, the Department of Revenue, and any other interested parties. The rules adopted by the State Energy Office shall comply with environmental and energy regulations promulgated by the United States Department of Energy and the United States Environmental Protection Agency.

"§ 143-345.19B. Funding.

(a) Funding Source. – The Mobile Source Emissions Reduction Program shall be funded by a surcharge on registration fees of motor vehicles. The surcharge is determined as follows:

(1) For light-duty vehicles, the surcharge is based on the vehicle's Green Vehicle Guide rating, as published by the United States Environmental Protection Agency, in accordance with the following table:

<u>Combined Green Vehicle Guide Score</u>	<u>Surcharge</u>
<u>17-20</u>	<u>\$2.00</u>
<u>13-16</u>	<u>\$5.00</u>
<u>9-12</u>	<u>\$8.00</u>
<u>5-8</u>	<u>\$11.00</u>
<u>0-4</u>	<u>\$14.00</u>

(2) For medium- and heavy-duty vehicles, the surcharge is a flat annual fee of fourteen dollars (\$14.00).

(b) Transfer. – The Division of Motor Vehicles shall collect the surcharge imposed by this section at the time it collects the registration fee. The Division of Motor Vehicles shall transfer funds collected under this section on a quarterly basis to a special revenue fund in the Department of Administration. Funds in this special revenue fund shall be used by the State Energy Office to implement the Program created in this Part.

(c) Administration Allowance. – The State Energy Office and the Division of Motor Vehicles may use up to five percent (5%) of the funds collected under this Part for the administration of this Part.

"§ 143-345.19C. Reports.

The Division of Motor Vehicles shall provide to the State Energy Office quarterly reports of all registered motor vehicles identified by fuel type. The State Energy Office shall provide an annual report on the expenditure of funds under this Part and the number of alternative fuel vehicles and hybrid vehicles registered in this State to the Joint Legislative Transportation Oversight Committee."

SECTION 2. G.S. 143-345.19B, as enacted by Section 1 of this act, becomes effective July 1, 2005, and applies to registrations due on or after that date.

- 1 The remainder of this act is effective when it becomes law. This act expires July 1,
- 2 2015.