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SENATE BILL NO. 475

Offered January 13, 2016

Prefiled January 12, 2016

A *BILL to amend the Code of Virginia by adding in Chapter 26 of Title 45.1 a section numbered 45.1-395, relating to the clean fuel fleet voucher program.*

Patron—Wagner

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 26 of Title 45.1 a section numbered 45.1-395 as follows:

§ 45.1-395. Clean Fuel Fleet Voucher Program.

A. As used in this section:

"Alternative fuel" means on-highway dedicated compressed natural gas, dedicated liquefied natural gas, propane, or electricity.

"Eligible fleet" means a private commercial or nonprofit corporation that owns or leases at least 20 vehicles that are registered and principally garaged in the Commonwealth.

"Eligible vehicle" means an on-highway medium-duty or heavy-duty alternative fuel vehicle or, in the case of a conversion, an existing like-new medium-duty or heavy-duty vehicle that is to be converted to run entirely on alternative fuel.

"Incremental cost" means the additional cost of purchasing a new vehicle equipped to operate on at least one alternative fuel, or the entire cost of a certified conversion of an existing vehicle to use at least one alternative fuel, over the normal cost of a similar vehicle equipped to operate on a conventional fuel such as gasoline or diesel fuel.

"Like-new" means having traveled 500 or fewer miles.

"Program" means the Clean Fuel Fleet Voucher Program.

B. The Department, through the Division of Energy, shall establish and administer the Clean Fuel Fleet Voucher Program to provide point-of-sale incentives to subsidize the cost of shifting the makeup of private vehicle fleets to alternative fuel vehicles.

C. The Program shall provide that:

1. Any motor vehicle dealer may offer a rebate at the time of the purchase or lease of an eligible motor vehicle by an eligible fleet or the conversion of an eligible motor vehicle on behalf of an eligible fleet. The Department is authorized to establish a different minimum number of vehicles in an eligible fleet or grant exceptions to the minimum number requirement on a case-by-case basis. The eligible fleet shall certify that the vehicle will be titled and registered in Virginia and owned or leased by the fleet for at least three years.

2. The value of the rebate shall be no more than 50 percent of the incremental cost for an eligible vehicle, with a maximum rebate amount of (i) \$3,000 for a natural gas or propane vehicle with a gross vehicle weight (GVW) of not more than 8,500 pounds, (ii) \$5,000 for a natural gas or propane vehicle with a GVW of more than 8,500 pounds but not more than 14,000 pounds, and (iii) \$10,000 for a natural gas, propane, or electric vehicle with a GVW of more than 14,000 pounds.

3. Any motor vehicle dealer may submit a rebate voucher for each eligible vehicle sold, leased, or converted to the Department for reimbursement. The full value of each rebate shall be available to all dealers on a first-come, first-served basis. No rebate for an individual vehicle shall consume more than 10 percent of the total Program budget for any fiscal year. The Department may waive the 10 percent cap to ensure that the entire amount of appropriated incentives is awarded each year.

4. Each participating eligible fleet shall report baseline vehicle mileage and fuel consumption data and quarterly vehicle mileage and fuel consumption data to the Department for three years from the date of acquisition of each vehicle.

5. The Department shall monitor compliance by any dealer or participating eligible fleet with any requirement of the Program, including the minimum ownership or leasing term and the registration requirement, and may revoke any rebate or portion of a rebate from a dealer or fleet that fails to comply with all requirements of the Program.

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