

Calendar No. 74

111TH CONGRESS
1ST SESSION**H. R. 2751**

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2009

Received and read the first time

JUNE 11, 2009

Read the second time and placed on the calendar

AN ACT

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high polluting automobiles to replace such automobiles with new fuel efficient and less polluting automobiles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Assistance
5 to Recycle and Save Act”.

6 **SEC. 2. TEMPORARY VEHICLE TRADE-IN PROGRAM.**

7 (a) ESTABLISHMENT.—There is established in the
8 National Highway Traffic Safety Administration a vol-

1 untary program to be known as the “Consumer Assistance
2 to Recycle and Save Program” through which the Sec-
3 retary of Transportation (hereinafter in this section re-
4 ferred to as the “Secretary”), in accordance with this Act
5 and the regulations promulgated under subsection (d),
6 shall—

7 (1) authorize the issuance of an electronic
8 voucher, subject to the specifications set forth in
9 subsection (c), to offset the purchase price or lease
10 price for a qualifying lease of a new fuel efficient
11 automobile upon the surrender of an eligible trade-
12 in vehicle to a dealer participating in the Program;

13 (2) register dealers for participation in the Pro-
14 gram and require all registered dealers—

15 (A) to accept vouchers as provided in this
16 section as partial payment or down payment for
17 the purchase or qualifying lease of any new fuel
18 efficient automobile offered for sale or lease by
19 that dealer; and

20 (B) in accordance with subsection (c)(2),
21 to transfer each eligible trade-in vehicle surren-
22 dered to the dealer under the Program to an
23 entity for disposal;

24 (3) in consultation with the Secretary of the
25 Treasury, make electronic payments to dealers for

1 eligible transactions accepted by such dealers, in ac-
2 cordance with the regulations issued under sub-
3 section (d); and

4 (4) in consultation with the Secretary of Treas-
5 ury and the Inspector General of the Department of
6 Transportation, establish and provide for the en-
7 forcement of measures to prevent and penalize fraud
8 under the Program.

9 (b) QUALIFICATIONS FOR AND VALUE OF VOUCH-
10 ERS.—A voucher issued under the Program shall have a
11 value that may be applied to offset the purchase price or
12 lease price for a qualifying lease of a new fuel efficient
13 automobile as follows:

14 (1) \$3,500 VALUE.—The voucher may be used
15 to offset the purchase price or lease price of the new
16 fuel efficient automobile by \$3,500 if—

17 (A) the new fuel efficient automobile is a
18 passenger automobile and the combined fuel
19 economy value of such automobile is at least 4
20 miles per gallon higher than the combined fuel
21 economy value of the eligible trade-in vehicle;

22 (B) the new fuel efficient automobile is a
23 category 1 truck and the combined fuel econ-
24 omy value of such truck is at least 2 miles per

1 gallon higher than the combined fuel economy
2 value of the eligible trade-in vehicle;

3 (C) the new fuel efficient automobile is a
4 category 2 truck that has a combined fuel econ-
5 omy value of at least 15 miles per gallon and—

6 (i) the eligible trade-in vehicle is a
7 category 2 truck and the combined fuel
8 economy value of the new fuel efficient
9 automobile is at least 1 mile per gallon
10 higher than the combined fuel economy
11 value of the eligible trade-in vehicle; or

12 (ii) the eligible trade-in vehicle is a
13 category 3 truck of model year 2001 or
14 earlier; or

15 (D) the new fuel efficient automobile is a
16 category 3 truck and the eligible trade-in vehi-
17 cle is a category 3 truck of model year of 2001
18 or earlier and is of similar size or larger than
19 the new fuel efficient automobile as determined
20 in a manner prescribed by the Secretary.

21 (2) \$4,500 VALUE.—The voucher may be used
22 to offset the purchase price or lease price of the new
23 fuel efficient automobile by \$4,500 if—

24 (A) the new fuel efficient automobile is a
25 passenger automobile and the combined fuel

1 economy value of such automobile is at least 10
2 miles per gallon higher than the combined fuel
3 economy value of the eligible trade-in vehicle;

4 (B) the new fuel efficient automobile is a
5 category 1 truck and the combined fuel econ-
6 omy value of such truck is at least 5 miles per
7 gallon higher than the combined fuel economy
8 value of the eligible trade-in vehicle; or

9 (C) the new fuel efficient automobile is a
10 category 2 truck that has a combined fuel econ-
11 omy value of at least 15 miles per gallon and
12 the combined fuel economy value of such truck
13 is at least 2 miles per gallon higher than the
14 combined fuel economy value of the eligible
15 trade-in vehicle and the eligible trade-in vehicle
16 is a category 2 truck.

17 (c) PROGRAM SPECIFICATIONS.—

18 (1) LIMITATIONS.—

19 (A) GENERAL PERIOD OF ELIGIBILITY.—A
20 voucher issued under the Program shall be used
21 only in connection with the purchase or quali-
22 fying lease of new fuel efficient automobiles
23 that occur between—

24 (i) the date of enactment of this Act;

25 and

1 (ii) the date that is 1 year after the
2 date on which the regulations promulgated
3 under subsection (d) are implemented.

4 (B) NUMBER OF VOUCHERS PER PERSON
5 AND PER TRADE-IN VEHICLE.—Not more than
6 1 voucher may be issued for a single person and
7 not more than 1 voucher may be issued for the
8 joint registered owners of a single eligible trade-
9 in vehicle.

10 (C) NO COMBINATION OF VOUCHERS.—
11 Only 1 voucher issued under the Program may
12 be applied toward the purchase or qualifying
13 lease of a single new fuel efficient automobile.

14 (D) CAP ON FUNDS FOR CATEGORY 3
15 TRUCKS.—Not more than 7.5 percent of the
16 total funds made available for the Program
17 shall be used for vouchers for the purchase or
18 qualifying lease of category 3 trucks.

19 (E) COMBINATION WITH OTHER INCEN-
20 TIVES PERMITTED.—The availability or use of a
21 Federal, State, or local incentive or a State-
22 issued voucher for the purchase or lease of a
23 new fuel efficient automobile shall not limit the
24 value or issuance of a voucher under the Pro-

1 gram to any person otherwise eligible to receive
2 such a voucher.

3 (F) NO ADDITIONAL FEES.—A dealer par-
4 ticipating in the program may not charge a per-
5 son purchasing or leasing a new fuel efficient
6 automobile any additional fees associated with
7 the use of a voucher under the Program.

8 (G) NUMBER AND AMOUNT.—The total
9 number and value of vouchers issued under the
10 Program may not exceed the amounts appro-
11 priated for such purpose.

12 (2) DISPOSITION OF ELIGIBLE TRADE-IN VEHI-
13 CLES.—

14 (A) IN GENERAL.—For each eligible trade-
15 in vehicle surrendered to a dealer under the
16 Program, the dealer shall certify to the Sec-
17 retary, in such manner as the Secretary shall
18 prescribe by rule, that the dealer—

19 (i) will arrange for the vehicle's title
20 to be transferred to the United States and
21 will accept possession of the vehicle on be-
22 half of the United States;

23 (ii) has not and will not sell, lease, ex-
24 change, or otherwise dispose of the vehicle

1 for use as an automobile in the United
2 States or in any other country; and

3 (iii) will transfer, on behalf of the
4 United States, the vehicle (including the
5 engine block) and the vehicle's title, in
6 such manner as the Secretary prescribes,
7 to an entity that will ensure that the vehi-
8 cle—

9 (I) will be crushed or shredded
10 within such period and in such man-
11 ner as the Secretary prescribes; and

12 (II) has not been, and will not
13 be, sold, leased, exchanged, or other-
14 wise disposed of for use as an auto-
15 mobile in the United States or in any
16 other country.

17 (B) SAVINGS PROVISION.—Nothing in sub-
18 paragraph (A) may be construed to preclude a
19 person who is responsible for ensuring that the
20 vehicle is crushed or shredded from—

21 (i) selling any parts of the disposed
22 vehicle other than the engine block and
23 drive train (unless the transmission, drive
24 shaft, or rear end are sold as separate
25 parts); or

1 (ii) retaining the proceeds from such
2 sale.

3 (C) COORDINATION.—The Secretary shall
4 coordinate with the Attorney General to ensure
5 that the National Motor Vehicle Title Informa-
6 tion System and other publicly accessible sys-
7 tems are appropriately updated on a timely
8 basis to reflect the crushing or shredding of ve-
9 hicles under this Act and appropriate re-classi-
10 fication of the vehicles' titles. The commercial
11 market shall also have electronic and commer-
12 cial access to the vehicle identification numbers
13 of vehicles that have been disposed of on a
14 timely basis.

15 (d) REGULATIONS.—Notwithstanding the require-
16 ments of section 553 of title 5, United States Code, the
17 Secretary shall promulgate final regulations to implement
18 the Program not later than 30 days after the date of the
19 enactment of this Act. Such regulations shall—

20 (1) provide for a means of registering dealers
21 for participation in the program;

22 (2) establish procedures for the reimbursement
23 of dealers participating in the Program to be made
24 through electronic transfer of funds for the amount
25 of the vouchers as soon as practicable but no longer

1 than 10 days after the submission of information
2 supporting the eligible transaction, as determined
3 appropriate by the Secretary;

4 (3) require the dealer to use the voucher in ad-
5 dition to any other rebate or discount advertised by
6 the dealer or offered by the manufacturer for the
7 new fuel efficient automobile and prohibit the dealer
8 from using the voucher to offset any such other re-
9 bate or discount;

10 (4) require dealers to disclose to the person
11 trading in an eligible trade in vehicle the best esti-
12 mate of the scrappage value of such vehicle;

13 (5) require dealers to accept on behalf of the
14 United States, and Transfer to the Secretary of the
15 Treasury, the amount paid for scrappage of the ve-
16 hicle up to \$60;

17 (6) permit the dealer to retain any amounts
18 paid to the dealer for scrappage of the automobile
19 in excess of the \$60 amount referred to in para-
20 graph (5) and designate \$50 of such excess as pay-
21 ment for any administrative costs to the dealer asso-
22 ciated with participation in the Program;

23 (7) clarify that dealers will not be reimbursed
24 for any storage fees or other costs associated with

1 their custodial handling of the eligible trade-in vehi-
2 cle;

3 (8) consistent with subsection (c)(2), establish
4 requirements and procedures for the disposal of eli-
5 gible trade-in vehicles and provide such information
6 as may be necessary to entities engaged in such dis-
7 posal to ensure that such vehicles are disposed of in
8 accordance with such requirements and procedures,
9 including—

10 (A) requirements for the removal and ap-
11 propriate disposition of refrigerants, antifreeze,
12 lead products, mercury switches, and such other
13 toxic or hazardous vehicle components prior to
14 the crushing or shredding of an eligible trade-
15 in vehicle, in accordance with rules established
16 by the Secretary in consultation with the Ad-
17 ministrator of the Environmental Protection
18 Agency, and in accordance with other applicable
19 Federal or State requirements;

20 (B) a mechanism for dealers to certify to
21 the Secretary that each eligible trade-in vehicle
22 will be transferred by the dealer on behalf of
23 the United States to an entity that will ensure
24 that the vehicle is disposed of, in accordance
25 with such requirements and procedures, and to

1 submit the vehicle identification numbers of the
2 vehicles disposed of and the new fuel efficient
3 automobile purchased with each voucher;

4 (C) a mechanism for obtaining such other
5 certifications as determined necessary by the
6 Secretary from entities engaged in vehicle dis-
7 posal; and

8 (D) a list of entities to which dealers may
9 transfer eligible trade-in vehicles for disposal;
10 and

11 (9) provide for the enforcement of the penalties
12 described in subsection (e).

13 (e) ANTI-FRAUD PROVISIONS.—

14 (1) VIOLATION.—It shall be unlawful for any
15 person to violate any provision under this Act or any
16 regulations issued pursuant to subsection (d) (other
17 than by making a clerical error).

18 (2) PENALTIES.—Any person who commits a
19 violation described in paragraph (1) shall be liable to
20 the United States Government for a civil penalty of
21 not more than \$15,000 for each violation. The Sec-
22 retary shall have the authority to assess and com-
23 promise such penalties, and shall have the authority
24 to require from any entity the records and inspec-
25 tions necessary to enforce this program. In deter-

1 mining the amount of the civil penalty, the severity
2 of the violation and the intent of the person commit-
3 ting the violation shall be taken into account.

4 (f) INFORMATION TO CONSUMERS AND DEALERS.—
5 Not later than 30 days after the date of enactment of this
6 Act, and promptly upon the update of any relevant infor-
7 mation, the Secretary, in consultation with the Adminis-
8 trator of the Environmental Protection Agency, shall
9 make available on an Internet website and through other
10 means determined by the Secretary information about the
11 Program, including—

12 (1) how to determine if a vehicle is an eligible
13 trade-in vehicle;

14 (2) how to participate in the Program, includ-
15 ing how to determine participating dealers; and

16 (3) a comprehensive list, by make and model, of
17 new fuel efficient automobiles meeting the require-
18 ments of the Program.

19 Once such information is available, the Secretary shall
20 conduct a public awareness campaign to inform consumers
21 about the Program and where to obtain additional infor-
22 mation.

23 (g) RECORD KEEPING AND REPORT.—

24 (1) DATABASE.—The Secretary shall maintain
25 a database of the vehicle identification numbers of

1 all new fuel efficient vehicles purchased or leased
2 and all eligible trade-in vehicles disposed of under
3 the Program.

4 (2) REPORT ON THE EFFICACY OF THE PRO-
5 GRAM.—Not later than 60 days after the termi-
6 nation date described in subsection (c)(1)(A)(ii), the
7 Secretary shall submit a report to the Committee on
8 Energy and Commerce of the House of Representa-
9 tives and the Committee on Commerce, Science, and
10 Transportation of the Senate describing the efficacy
11 of the Program, including—

12 (A) a description of program results, in-
13 cluding—

14 (i) the total number and amount of
15 vouchers issued for purchase or lease of
16 new fuel efficient automobiles by manufac-
17 turer (including aggregate information
18 concerning the make, model, model year)
19 and category of automobile;

20 (ii) aggregate information regarding
21 the make, model, model year, and manu-
22 facturing location of vehicles traded in
23 under the Program; and

24 (iii) the location of sale or lease;

1 (B) an estimate of the overall increase in
2 fuel efficiency in terms of miles per gallon, total
3 annual oil savings, and total annual greenhouse
4 gas reductions, as a result of the Program; and

5 (C) an estimate of the overall economic
6 and employment effects of the Program.

7 (h) TREATMENT OF PAYMENT.—

8 (1) FOR FEDERAL AND STATE PROGRAMS.—A
9 voucher under this Act or any payment made for
10 such a voucher pursuant to subsection (a)(3) shall
11 not be considered income and shall not be considered
12 as a resource for the month of receipt and the fol-
13 lowing 12 months, for purposes of determining the
14 eligibility of the recipient (or the recipient's spouse
15 or other family or household members) for benefits
16 or assistance, or the amount or extent of benefits or
17 assistance, under any Federal or State program.

18 (2) FOR PURPOSES OF TAXATION.—A voucher
19 under this Act, or any payment made for such a
20 voucher pursuant to subsection (a)(3), shall not be
21 considered as gross income of the purchaser of a ve-
22 hicle under this Act for purposes of the Internal
23 Revenue Code of 1986.

24 (i) DEFINITIONS.—As used in this Act—

1 (1) the term “passenger automobile” means a
2 passenger automobile, as defined in section
3 32901(a)(18) of title 49, United States Code, that
4 has a combined fuel economy value of at least 22
5 miles per gallon;

6 (2) the term “category 1 truck” means a non-
7 passenger automobile, as defined in section
8 32901(a)(17) of title 49, United States Code, that
9 has a combined fuel economy value of at least 18
10 miles per gallon, except that such term does not in-
11 clude a category 2 truck;

12 (3) the term “category 2 truck” means a large
13 van or a large pickup, as categorized by the Sec-
14 retary using the method used by the Environmental
15 Protection Agency and described in the report enti-
16 tled “Light-Duty Automotive Technology and Fuel
17 Economy Trends: 1975 through 2008”;

18 (4) the term “category 3 truck” means a work
19 truck, as defined in section 32901(a)(19) of title 49,
20 United States Code;

21 (5) the term “combined fuel economy value”
22 means—

23 (A) with respect to a new fuel efficient
24 automobile, the number, expressed in miles per
25 gallon, centered below the words “Combined

1 Fuel Economy” on the label required to be af-
2 fixed or caused to be affixed on a new auto-
3 mobile pursuant to subpart D of part 600 of
4 title 40 Code of Federal Regulations;

5 (B) with respect to an eligible trade-in ve-
6 hicle, the equivalent of the number described in
7 subparagraph (A), and posted under the words
8 “Estimated New EPA MPG” and above the
9 word “Combined” for vehicles of model year
10 1985 through 2007, or posted under the words
11 “New EPA MPG” and above the word “Com-
12 bined” for vehicles of model year 2008 or later
13 on the fueleconomy.gov website of the Environ-
14 mental Protection Agency for the make, model,
15 and year of such vehicle; or

16 (C) with respect to an eligible trade-in ve-
17 hicle manufactured between model years 1978
18 through 1984, the equivalent of the number de-
19 scribed in subparagraph (A) as determined by
20 the Secretary (and posted on the website of the
21 National Highway Traffic Safety Administra-
22 tion) using data maintained by the Environ-
23 mental Protection Agency for the make, model,
24 and year of such vehicle;

1 (6) the term “dealer” means a person licensed
2 by a State who engages in the sale of new auto-
3 mobiles to ultimate purchasers;

4 (7) the term “eligible trade-in vehicle” means
5 an automobile or a work truck (as such terms are
6 defined in section 32901(a) of title 49, United
7 States Code) that, at the time it is presented for
8 trade-in under this Act—

9 (A) is in drivable condition;

10 (B) has been continuously insured con-
11 sistent with the applicable State law and reg-
12 istered to the same owner for a period of not
13 less than 1 year immediately prior to such
14 trade-in;

15 (C) was manufactured in model year 1984
16 or later; and

17 (D) in the case of an automobile, has a
18 combined fuel economy value of 18 miles per
19 gallon or less;

20 (8) the term “new fuel efficient automobile”
21 means an automobile described in paragraph (1),
22 (2), (3), or (4)—

23 (A) the equitable or legal title of which has
24 not been transferred to any person other than
25 the ultimate purchaser;

1 (B) that carries a manufacturer’s sug-
2 gested retail price of \$45,000 or less;

3 (C) that—

4 (i) in the case of passenger auto-
5 mobiles, category 1 trucks, or category 2
6 trucks, is certified to applicable standards
7 under section 86.1811–04 of title 40, Code
8 of Federal Regulations; or

9 (ii) in the case of category 3 trucks,
10 is certified to the applicable vehicle or en-
11 gine standards under section 86.1816–08,
12 86–007–11, or 86.008–10 of title 40, Code
13 of Federal Regulations; and

14 (D) that has the combined fuel economy
15 value of at least—

16 (i) 22 miles per gallon for a passenger
17 automobile;

18 (ii) 18 miles per gallon for a category
19 1 truck; or

20 (iii) 15 miles per gallon for a category
21 2 truck;

22 (9) the term “Program” means the Consumer
23 Assistance to Recycle and Save Program established
24 by this Act;

1 (10) the term “qualifying lease” means a lease
2 of an automobile for a period of not less than 5
3 years;

4 (11) the term “scrappage value” means the
5 amount received by the dealer for a vehicle upon
6 transferring title of such vehicle to the person re-
7 sponsible for ensuring the dismantling and destroy-
8 ing the vehicle;

9 (12) the term “Secretary” means the Secretary
10 of Transportation acting through the National High-
11 way Traffic Safety Administration;

12 (13) the term “ultimate purchaser” means,
13 with respect to any new automobile, the first person
14 who in good faith purchases such automobile for
15 purposes other than resale;

16 (14) the term “voucher” means an electronic
17 transfer of funds to a dealer based on an eligible
18 transaction under this program; and

19 (15) the term “vehicle identification number”
20 means the 17-character number used by the auto-
21 mobile industry to identify individual automobiles.

1 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to the Secretary of Trans-
3 portation \$4,000,000,000 to carry out this Act.

Passed the House of Representatives June 9, 2009.

Attest: LORRAINE C. MILLER,
Clerk.

Calendar No. 74

111TH CONGRESS
1ST Session

H. R. 2751

AN ACT

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high polluting automobiles to replace such automobiles with new fuel efficient and less polluting automobiles.

JUNE 11, 2009

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