

FREIGHT SWITCHER EMISSIONS MITIGATION

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen G. Handy

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends requirements for grants issued under the Clean Air Retrofit, Replacement, and Off-road Technology Program.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates procedures for grants issued for the reduction of freight switcher locomotive emissions;
- ▶ creates terms for grants issued for the reduction of freight switcher locomotive emissions; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2019:

- ▶ to the Department of Environmental Quality - Clean Air Retrofit, Replacement, and Off-road Technology, as a one-time appropriation:
 - from the General Fund, One-time, \$2,000,000.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:



28 19-2-202, as last amended by Laws of Utah 2016, Chapter 321

29 19-2-203, as enacted by Laws of Utah 2014, Chapter 295

30 19-2-204, as enacted by Laws of Utah 2014, Chapter 295

31 63J-1-602.1 (Superseded 09/30/18), as last amended by Laws of Utah 2017, Chapters
32 88, 194, and 383

33 63J-1-602.1 (Effective 09/30/18), as last amended by Laws of Utah 2017, Chapters 88,
34 107, 194, and 383

35

36 *Be it enacted by the Legislature of the state of Utah:*

37 Section 1. Section 19-2-202 is amended to read:

38 **19-2-202. Definitions.**

39 As used in this part:

40 (1) "Board" means the Air Quality Board.

41 (2) "Certified" means certified by the United States Environmental Protection Agency
42 or the California Air Resources Board to meet appropriate emission standards.

43 (3) "Cost" means the total reasonable cost of a project eligible for a grant under the
44 fund, including the cost of labor.

45 (4) "Director" means the director of the Division of Air Quality.

46 (5) "Division" means the Division of Air Quality, created in Subsection 19-1-105(1)(a).

47 (6) "Eligible equipment" means equipment with engines, including stationary
48 generators and pumps, operated and, if applicable, permitted in Utah.

49 (7) "Eligible vehicle" means a vehicle operated and, if applicable, registered in Utah
50 that is:

51 (a) a medium-duty or heavy-duty transit bus;

52 (b) a school bus as defined in Section 53-3-102;

53 (c) a medium-duty or heavy-duty truck with a gross vehicle weight rating of at least
54 16,001 GVWR;

55 (d) a locomotive; or

56 (e) another type of vehicle identified by the board in rule as being a significant
57 potential source of air pollution, as defined in Section 19-2-102.

58 (8) "Freight switcher" means a locomotive that is powered by an engine or combination

59 of engines with a maximum total rated power of 2,300 horsepower or less, based on a
60 calculation of total power that:

61 (a) includes auxiliary engines that are permanently installed on the locomotive and can
62 be operated while the main propulsion engine is operating; and

63 (b) does not include auxiliary engines that operate only to reduce idling time of the
64 propulsion engine.

65 [~~8~~] (9) "Verified" means verified by the United States Environmental Protection
66 Agency or the California Air Resources Board to reduce air emissions and meet durability
67 requirements.

68 Section 2. Section **19-2-203** is amended to read:

69 **19-2-203. Grants and programs -- Conditions.**

70 (1) The director may make grants for implementing:

- 71 (a) verified technologies for eligible vehicles or equipment; and
72 (b) certified vehicles, engines, or equipment.

73 (2) (a) Pursuant to Subsection (1), the director may make grants for the reduction of
74 freight switcher emissions.

75 (b) The division shall seek additional sources of funding when making grants for the
76 reduction of freight switcher emissions, including from the Diesel Emissions Reduction Act
77 program.

78 (c) Pursuant to Subsection (2)(b), if other funds are received, a grant made for the
79 reduction of freight switcher emissions shall be made using other funds first, up to the
80 maximum amount allowed by funding terms and conditions, and then may be supplemented by
81 appropriated funds pursuant to Subsection (6)(b).

82 [~~2~~] (3) (a) The division may develop programs, including exchange, rebate, or
83 low-cost purchase programs, to encourage replacement of:

84 (i) landscaping and maintenance equipment with equipment that is lower in emissions;
85 and

86 (ii) other equipment or products identified by the board in rule as being a significant
87 potential source of air pollution, as defined in Subsection 19-2-102(3).

88 (b) The division may enter into agreements with local health departments to administer
89 the programs described in Subsection [~~2~~] (3)(a).

90 ~~[(3)]~~ (4) As a condition for receiving the grant, a person receiving a grant under
91 ~~[Subsection (1) or receiving a grant under this Subsection (3)]~~ Subsection (1), (2), or this
92 Subsection (4), shall agree to:

93 (a) provide information to the division about the vehicles, equipment, or technology
94 acquired with the grant proceeds;

95 (b) allow inspections by the division to ensure compliance with the terms of the grant;

96 (c) permanently disable replaced vehicles, engines, and equipment from use; and

97 (d) comply with the conditions for the grant.

98 ~~[(4)]~~ (5) Grants and programs under Subsections (1) and ~~[(2)]~~ (3) may be administered
99 using a rebate program.

100 ~~[(5) Grants]~~ (6) (a) Subject to Subsection (6)(b), grants issued under this section may
101 not exceed the actual cost of the project.

102 (b) For grants issued under Subsection (2), appropriated funds may not exceed 35% of
103 the actual cost of the project.

104 Section 3. Section **19-2-204** is amended to read:

105 **19-2-204. Duties and authorities -- Rulemaking.**

106 (1) The board may, by following the procedures and requirements of Title 63G,
107 Chapter 3, Utah Administrative Rulemaking Act, make rules:

108 (a) specifying the amount of money to be dedicated annually for grants, for
109 appropriations that allow both grants and programs;

110 (b) specifying criteria the director shall consider in prioritizing and awarding grants,
111 including:

112 (i) a preference for awarding a grant to an individual who has already secured some
113 other source of funding; and

114 (ii) a limitation on the types of vehicles that are eligible for funds;

115 (c) specifying the terms of a grant or exchange under Subsections **19-2-203**(2), (3),
116 ~~[and]~~ (4), and (5);

117 (d) specifying the procedures to be used in the grant and exchange programs authorized
118 in Subsections **19-2-203**(2), (3), ~~[and (5)]~~ (4), and (6); and

119 (e) requiring all grant applicants to apply on forms provided by the division.

120 (2) The division shall:

121 (a) administer funds to encourage vehicle and equipment owners and operators to
 122 reduce emissions from vehicles and equipment;

123 (b) provide forms for application for a grant or exchange under Subsection [19-2-203\(2\)](#)
 124 [~~or (3)~~], [\(3\)](#), or [\(4\)](#); and

125 (c) provide information about which vehicles, engines, or equipment are certified and
 126 which technology is verified as provided in this part.

127 (3) The division may inspect vehicles, equipment, or technology for which a grant was
 128 made to ensure compliance with the terms of the grant.

129 Section 4. Section **63J-1-602.1 (Superseded 09/30/18)** is amended to read:

130 **63J-1-602.1 (Superseded 09/30/18). List of nonlapsing accounts and funds --**
 131 **General authority and Title 1 through Title 30.**

132 (1) Appropriations made to the Legislature and its committees.

133 (2) The Utah Intracurricular Student Organization Support for Agricultural Education
 134 and Leadership Restricted Account created in Section [4-42-102](#).

135 (3) The Percent-for-Art Program created in Section [9-6-404](#).

136 (4) The Native American Repatriation Restricted Account created in Section [9-9-407](#).

137 (5) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in
 138 Section [9-18-102](#).

139 (6) The National Professional Men's Soccer Team Support of Building Communities
 140 Restricted Account created in Section [9-19-102](#).

141 (7) The LeRay McAllister Critical Land Conservation Program created in Section
 142 [11-38-301](#).

143 (8) An appropriation made to the Division of Air Quality for grants for the reduction of
 144 freight switcher locomotive emissions under the Clean Air Retrofit, Replacement, and Off-road
 145 Technology Program, as provided in Section [19-2-203](#).

146 [~~(8)~~] (9) The Support for State-Owned Shooting Ranges Restricted Account created in
 147 Section [23-14-13.5](#).

148 [~~(9)~~] (10) An appropriation made to the Division of Wildlife Resources for the
 149 appraisal and purchase of lands under the Pelican Management Act, as provided in Section
 150 [23-21a-6](#).

151 [~~(10)~~] (11) Award money under the State Asset Forfeiture Grant Program, as provided

152 under Section 24-4-117.

153 [~~(11)~~] (12) Funds collected from the program fund for local health department
154 expenses incurred in responding to a local health emergency under Section 26-1-38.

155 [~~(12)~~] (13) Funds collected from the emergency medical services grant program, as
156 provided in Section 26-8a-207.

157 [~~(13)~~] (14) The primary care grant program created in Section 26-10b-102.

158 [~~(14)~~] (15) The Prostate Cancer Support Restricted Account created in Section
159 26-21a-303.

160 [~~(15)~~] (16) The Children with Cancer Support Restricted Account created in Section
161 26-21a-304.

162 [~~(16)~~] (17) State funds appropriated for matching federal funds in the Children's Health
163 Insurance Program as provided in Section 26-40-108.

164 [~~(17)~~] (18) The Utah Health Care Workforce Financial Assistance Program created in
165 Section 26-46-102.

166 [~~(18)~~] (19) The Rural Physician Loan Repayment Program created in Section
167 26-46a-103.

168 [~~(19)~~] (20) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.

169 [~~(20)~~] (21) The Children with Heart Disease Support Restricted Account created in
170 Section 26-58-102.

171 Section 5. Section 63J-1-602.1 (Effective 09/30/18) is amended to read:

172 **63J-1-602.1 (Effective 09/30/18). List of nonlapsing accounts and funds -- General**
173 **authority and Title 1 through Title 30.**

174 (1) Appropriations made to the Legislature and its committees.

175 (2) The Utah Intracurricular Student Organization Support for Agricultural Education
176 and Leadership Restricted Account created in Section 4-42-102.

177 (3) The Percent-for-Art Program created in Section 9-6-404.

178 (4) The Native American Repatriation Restricted Account created in Section 9-9-407.

179 (5) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in
180 Section 9-18-102.

181 (6) The National Professional Men's Soccer Team Support of Building Communities
182 Restricted Account created in Section 9-19-102.

183 (7) The LeRay McAllister Critical Land Conservation Program created in Section
184 [11-38-301](#).

185 (8) An appropriation made to the Division of Air Quality for grants for the reduction of
186 freight switcher locomotive emissions under the Clean Air Retrofit, Replacement, and Off-road
187 Technology Program, as provided in Section [19-2-203](#).

188 [~~(8)~~] (9) The Support for State-Owned Shooting Ranges Restricted Account created in
189 Section [23-14-13.5](#).

190 [~~(9)~~] (10) An appropriation made to the Division of Wildlife Resources for the
191 appraisal and purchase of lands under the Pelican Management Act, as provided in Section
192 [23-21a-6](#).

193 [~~(10)~~] (11) Award money under the State Asset Forfeiture Grant Program, as provided
194 under Section [24-4-117](#).

195 [~~(11)~~] (12) Funds collected from the program fund for local health department
196 expenses incurred in responding to a local health emergency under Section [26-1-38](#).

197 [~~(12)~~] (13) Funds collected from the emergency medical services grant program, as
198 provided in Section [26-8a-207](#).

199 [~~(13)~~] (14) The primary care grant program created in Section [26-10b-102](#).

200 [~~(14)~~] (15) The Children with Cancer Support Restricted Account created in Section
201 [26-21a-304](#).

202 [~~(15)~~] (16) State funds appropriated for matching federal funds in the Children's Health
203 Insurance Program as provided in Section [26-40-108](#).

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205 Section [26-46-102](#).

206 [~~(17)~~] (18) The Rural Physician Loan Repayment Program created in Section
207 [26-46a-103](#).

208 [~~(18)~~] (19) The Opiate Overdose Outreach Pilot Program created in Section [26-55-107](#).

209 [~~(19)~~] (20) The Children with Heart Disease Support Restricted Account created in
210 Section [26-58-102](#).

211 Section 6. **Appropriation.**

212 The following sums of money are appropriated for the fiscal year beginning July 1,
213 2018, and ending June 30, 2019. These are additions to amounts previously appropriated for

214 fiscal year 2019. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
215 Act, the Legislature appropriates the following sums of money from the funds or accounts
216 indicated for the use and support of the government of the state of Utah.

217 To Department of Environmental Quality - Clean Air Retrofit, Replacement,
218 and Off- road Technology

219 From General Fund, One-time \$2,000,000

220 Schedule of Programs:

221 Clean Air Retrofit, Replacement, and \$2,000,000

222 Off-road Technology

223 The Legislature intends that:

224 (1) the Division of Air Quality use appropriations under this section to issue grants for
225 the reduction of freight switcher locomotive emissions pursuant to Section [19-2-203](#);

226 (2) the Division of Air Quality expend appropriations under this section in fiscal years
227 2019, 2020, and 2021;

228 (3) under Section [63J-1-603](#), appropriations provided under this section not lapse at the
229 close of fiscal year 2019; and

230 (4) the use of any nonlapsing funds is limited to issuing grants for the reduction of
231 freight switcher locomotive emissions pursuant to Section [19-2-203](#).

232 **Section 7. Effective date.**

233 This bill takes effect on May 8, 2018, except that the amendments to Section
234 [63J-1-602.1](#) (Effective 09/30/18) take effect on September 30, 2018.

Legislative Review Note
Office of Legislative Research and General Counsel