

EMISSIONS REDUCTION AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Andrew Stoddard

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill addresses issues related to emission reduction.

Highlighted Provisions:

This bill:

- ▶ imposes certain emission related requirements on the board of the Inland Port

Authority;

- ▶ requires that Air Quality Board to create a form to facilitate assignment of a tax

credit;

- ▶ enacts the Pollution Emission Reduction Act, including:

- defining terms;
- establishing state policy for emission reductions;
- describing the applicable geographic area for emission reductions;
- providing for the administration of the act;
- creating a restricted account;
- granting rulemaking authority;
- providing for an advisory committee to advise on health related issues;
- requiring certain state agency actions;
- requiring the Department of Transportation to conduct certain analysis of air quality impacts;
- creating a vehicle emissions fee program that includes light and heavy duty



vehicles;

- creating a vehicle purchase incentive program including imposing sunset dates;
- addressing rail related emissions;
- requiring an inventory and creation of a plan related to certain point source

pollution;

- addressing emissions increases near residences;
 - imposing requirements on nonresidential and residential structures;
 - prohibiting wood burning for heating; and
 - addressing small off-road engines;
- provides for an air quality related special license plate;
 - prohibits operation of certain vehicles on certain air quality days;
 - enacts a nonrefundable corporate and individual income tax credit for the purchase

or lease of an alternative fuel vehicle;

- provides a process for a taxpayer to assign a tax credit to the dealer;
- sets a termination date for the tax credit but requires legislative review before the

termination date;

- imposes an increased motor fuel tax on motor fuel that does not meet the requirements of Tier 3 gasoline;

▸ establishes a road usage program related to restrictions on driving on bad air quality days; and

- makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

11-58-203, as last amended by Laws of Utah 2022, Chapter 82

19-1-105, as last amended by Laws of Utah 2015, Chapter 451

19-2-104, as last amended by Laws of Utah 2020, Chapter 354

41-1a-203, as last amended by Laws of Utah 2021, Chapter 59

59 **41-1a-418**, as last amended by Laws of Utah 2022, Chapters 19, 48, 68, and 451
60 **41-1a-1201**, as last amended by Laws of Utah 2022, Chapter 259
61 **41-21-5**, as enacted by Laws of Utah 1971, Chapter 93
62 **59-13-201**, as last amended by Laws of Utah 2022, Chapter 68
63 **63I-1-219**, as last amended by Laws of Utah 2022, Chapter 194
64 **63I-1-226**, as last amended by Laws of Utah 2022, Chapters 194, 206, 224, 253, 255,
65 347, and 451
66 **63I-2-259**, as last amended by Laws of Utah 2022, Chapter 264
67 **63I-2-272**, as last amended by Laws of Utah 2022, Chapters 56, 83 and 259
68 **72-1-211**, as last amended by Laws of Utah 2018, Chapter 424
69 **72-1-213.2**, as last amended by Laws of Utah 2022, Chapter 259
70 **72-2-107**, as last amended by Laws of Utah 2020, Chapter 377
71 ENACTS:
72 **19-2b-101**, Utah Code Annotated 1953
73 **19-2b-102**, Utah Code Annotated 1953
74 **19-2b-103**, Utah Code Annotated 1953
75 **19-2b-201**, Utah Code Annotated 1953
76 **19-2b-202**, Utah Code Annotated 1953
77 **19-2b-203**, Utah Code Annotated 1953
78 **19-2b-301**, Utah Code Annotated 1953
79 **19-2b-302**, Utah Code Annotated 1953
80 **19-2b-401**, Utah Code Annotated 1953
81 **19-2b-402**, Utah Code Annotated 1953
82 **19-2b-403**, Utah Code Annotated 1953
83 **19-2b-501**, Utah Code Annotated 1953
84 **19-2b-502**, Utah Code Annotated 1953
85 **19-2b-503**, Utah Code Annotated 1953
86 **19-2b-504**, Utah Code Annotated 1953
87 **19-2b-505**, Utah Code Annotated 1953
88 **19-2b-506**, Utah Code Annotated 1953
89 **19-2b-507**, Utah Code Annotated 1953

90 **19-2b-601**, Utah Code Annotated 1953
91 **19-2b-701**, Utah Code Annotated 1953
92 **19-2b-702**, Utah Code Annotated 1953
93 **19-2b-801**, Utah Code Annotated 1953
94 **19-2b-802**, Utah Code Annotated 1953
95 **19-2b-803**, Utah Code Annotated 1953
96 **19-2b-804**, Utah Code Annotated 1953
97 **26A-1-131**, Utah Code Annotated 1953
98 **41-1a-233**, Utah Code Annotated 1953
99 **41-1a-1321**, Utah Code Annotated 1953
100 **59-7-627**, Utah Code Annotated 1953
101 **59-10-1046**, Utah Code Annotated 1953
102 **72-1-213.3**, Utah Code Annotated 1953

103 REPEALS:

104 **19-2-107.5**, as last amended by Laws of Utah 2019, Chapter 470

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

107 Section 1. Section **11-58-203** is amended to read:

108 **11-58-203. Policies and objectives of the authority -- Additional duties of the**
109 **authority -- Emission inventory and plans.**

110 (1) The policies and objectives of the authority are to:

111 (a) maximize long-term economic benefits to the area, the region, and the state;

112 (b) maximize the creation of high-quality jobs;

113 (c) respect and maintain sensitivity to the unique natural environment of areas in
114 proximity to the authority jurisdictional land and land in other authority project areas;

115 (d) improve air quality and minimize resource use;

116 (e) respect existing land use and other agreements and arrangements between property
117 owners within the authority jurisdictional land and within other authority project areas and
118 applicable governmental authorities;

119 (f) promote and encourage development and uses that are compatible with or
120 complement uses in areas in proximity to the authority jurisdictional land or land in other

121 authority project areas;

122 (g) take advantage of the authority jurisdictional land's strategic location and other
123 features, including the proximity to transportation and other infrastructure and facilities, that
124 make the authority jurisdictional land attractive to:

125 (i) businesses that engage in regional, national, or international trade; and
126 (ii) businesses that complement businesses engaged in regional, national, or
127 international trade;

128 (h) facilitate the transportation of goods;

129 (i) coordinate trade-related opportunities to export Utah products nationally and
130 internationally;

131 (j) support and promote land uses on the authority jurisdictional land and land in other
132 authority project areas that generate economic development, including rural economic
133 development;

134 (k) establish a project of regional significance;

135 (l) facilitate an intermodal facility;

136 (m) support uses of the authority jurisdictional land for inland port uses, including
137 warehousing, light manufacturing, and distribution facilities;

138 (n) facilitate an increase in trade in the region and in global commerce;

139 (o) promote the development of facilities that help connect local businesses to potential
140 foreign markets for exporting or that increase foreign direct investment;

141 (p) encourage all class 5 through 8 designated truck traffic entering the authority
142 jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and
143 urban bus exhaust emission standards for year 2007 and later;

144 (q) encourage the development and use of cost-efficient renewable energy in project
145 areas;

146 (r) aggressively pursue world-class businesses that employ cutting-edge technologies to
147 locate within a project area; and

148 (s) pursue land remediation and development opportunities for publicly owned land to
149 add value to a project area.

150 (2) In fulfilling its duties and responsibilities relating to the development of the
151 authority jurisdictional land and land in other authority project areas and to achieve and

implement the development policies and objectives under Subsection (1), the authority shall:

(a) work to identify funding sources, including federal, state, and local government funding and private funding, for capital improvement projects in and around the authority jurisdictional land and land in other authority project areas and for an inland port;

(b) review and identify land use and zoning policies and practices to recommend to municipal land use policymakers and administrators that are consistent with and will help to achieve:

(i) the policies and objectives stated in Subsection (1); and

(ii) the mutual goals of the state and local governments that have authority jurisdictional land with their boundaries with respect to the authority jurisdictional land;

(c) consult and coordinate with other applicable governmental entities to improve and enhance transportation and other infrastructure and facilities in order to maximize the potential of the authority jurisdictional land to attract, retain, and service users who will help maximize the long-term economic benefit to the state; and

(d) pursue policies that the board determines are designed to avoid or minimize negative environmental impacts of development.

(3) The board may consider the emissions profile of road, yard, or rail vehicles:

(a) in determining access by those vehicles to facilities that the authority owns or finances; or

(b) in setting fees applicable to those vehicles for the use of facilities that the authority owns or finances.

(4) (a) By December 31, 2025, the board shall complete in accordance with the standards adopted by the Air Quality Board under Subsection (4)(c):

(i) an inventory of fine particulate, nitrogen oxides, carbon monoxide, and sulfur dioxide emissions from the one or more entities that are or planned to be located within a project area; and

(ii) a plan under which an entity described in Subsection (4)(a)(i) shall, for each unit of fine particulate, nitrogen oxides, carbon monoxide, and sulfur dioxide emissions from the entity, fund a reduction of at least 1.1 units of corresponding emissions elsewhere in the same county.

(b) In determining a unit of fine particulate, nitrogen oxides, carbon monoxide, and

sulfur dioxide emissions from an entity located within a project area, the board shall include all emissions emitted within the project area including vehicle emissions, non-highway emissions, venting, and activity of a contractor or transporter.

(c) Before October 1, 2023, the Air Quality Board shall in rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, adopt standards that:

(i) define what is meant by "located within a project area";

(ii) provide how a unit of emissions is determined for purposes of this Subsection (4);

and

(iii) define "contractor" and "transporter" for purposes of this Subsection (4).

Section 2. Section **19-1-105** is amended to read:

19-1-105. Divisions of department -- Control by division directors.

(1) The following divisions are created within the department:

(a) the Division of Air Quality, to administer [~~Title 19, Chapter 2, Air Conservation Act;~~];

(i) Chapter 2, Air Conservation Act; and

(ii) Chapter 2b, Pollution Emissions Reduction Act;

(b) the Division of Drinking Water, to administer [~~Title 19, Chapter 4, Safe Drinking Water Act;~~] Chapter 4, Safe Drinking Water Act;

(c) the Division of Environmental Response and Remediation, to administer:

(i) [~~Title 19, Chapter 6, Part 3, Hazardous Substances Mitigation Act]~~ Chapter 6, Part 3, Hazardous Substances Mitigation Act; and

(ii) [~~Title 19, Chapter 6, Part 4, Underground Storage Tank Act]~~ Chapter 6, Part 4, Underground Storage Tank Act;

(d) the Division of Waste Management and Radiation Control, to administer:

(i) [~~Title 19, Chapter 3, Radiation Control Act]~~ Chapter 3, Radiation Control Act;

(ii) [~~Title 19, Chapter 6, Part 1, Solid and Hazardous Waste Act]~~ Chapter 6, Part 1, Solid and Hazardous Waste Act;

(iii) [~~Title 19, Chapter 6, Part 2, Hazardous Waste Facility Siting Act]~~ Chapter 6, Part 2, Hazardous Waste Facility Siting Act;

(iv) [~~Title 19, Chapter 6, Part 5, Solid Waste Management Act]~~ Chapter 6, Part 5, Solid Waste Management Act;

(v) [~~Title 19, Chapter 6, Part 6, Lead Acid Battery Disposal~~] Chapter 6, Part 6, Lead Acid Battery Disposal;

(vi) [~~Title 19, Chapter 6, Part 7, Used Oil Management Act~~] Chapter 6, Part 7, Used Oil Management Act;

(vii) [~~Title 19, Chapter 6, Part 8, Waste Tire Recycling Act~~] Chapter 6, Part 8, Waste Tire Recycling Act;

(viii) [~~Title 19, Chapter 6, Part 10, Mercury Switch Removal Act~~] Chapter 6, Part 10, Mercury Switch Removal Act;

(ix) [~~Title 19, Chapter 6, Part 11, Industrial Byproduct Reuse~~] Chapter 6, Part 11, Industrial Byproduct Reuse; and

(x) [~~Title 19, Chapter 6, Part 12, Disposal of Electronic Waste Program~~] Chapter 6, Part 12, Disposal of Electronic Waste Program; and

(e) the Division of Water Quality, to administer Title 19, Chapter 5, Water Quality Act.

(2) Each division is under the immediate direction and control of a division director appointed by the executive director.

(3) (a) A division director shall possess the administrative skills and training necessary to perform the duties of division director.

(b) A division director shall hold one of the following degrees from an accredited college or university:

(i) a four-year degree in physical or biological science or engineering;

(ii) a related degree; or

(iii) a degree in law.

(4) The executive director may remove a division director at will.

(5) A division director shall serve as the executive secretary to the policymaking board, created in Section 19-1-106, that has rulemaking authority over the division director's division.

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

19-2-104. Powers of board.

(1) The board may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

(a) regarding the control, abatement, and prevention of air pollution from all sources and the establishment of the maximum quantity of air pollutants that may be emitted by an air

245 pollutant source;

246 (b) establishing air quality standards;

247 (c) requiring persons engaged in operations that result in air pollution to:

248 (i) install, maintain, and use emission monitoring devices, as the board finds necessary;

249 (ii) file periodic reports containing information relating to the rate, period of emission,

250 and composition of the air pollutant; and

251 (iii) provide access to records relating to emissions which cause or contribute to air

252 pollution;

253 (d) (i) implementing:

254 (A) Toxic Substances Control Act, Subchapter II, Asbestos Hazard Emergency

255 Response, 15 U.S.C. 2601 et seq.;

256 (B) 40 C.F.R. Part 763, Asbestos; and

257 (C) 40 C.F.R. Part 61, National Emission Standards for Hazardous Air Pollutants,

258 Subpart M, National Emission Standard for Asbestos; and

259 (ii) reviewing and approving asbestos management plans submitted by local education

260 agencies under the Toxic Substances Control Act, Subchapter II, Asbestos Hazard Emergency

261 Response, 15 U.S.C. 2601 et seq.;

262 (e) establishing a requirement for a diesel emission opacity inspection and maintenance

263 program for diesel-powered motor vehicles;

264 (f) implementing an operating permit program as required by and in conformity with

265 Titles IV and V of the federal Clean Air Act Amendments of 1990;

266 (g) establishing requirements for county emissions inspection and maintenance

267 programs after obtaining agreement from the counties that would be affected by the

268 requirements;

269 (h) with the approval of the governor, implementing in air quality nonattainment areas

270 employer-based trip reduction programs applicable to businesses having more than 100

271 employees at a single location and applicable to federal, state, and local governments to the

272 extent necessary to attain and maintain ambient air quality standards consistent with the state

273 implementation plan and federal requirements under the standards set forth in Subsection (2);

274 (i) implementing lead-based paint training, certification, and performance requirements

275 in accordance with 15 U.S.C. 2601 et seq., Toxic Substances Control Act, Subchapter IV --

Lead Exposure Reduction, Sections 402 and 406; and

(j) to implement the requirements of Section [~~19-2-107.5~~] [19-2b-80](#).

(2) When implementing Subsection (1)(h) the board shall take into consideration:

(a) the impact of the business on overall air quality; and

(b) the need of the business to use automobiles in order to carry out its business purposes.

(3) (a) The board may:

(i) hold a hearing that is not an adjudicative proceeding relating to any aspect of, or matter in, the administration of this chapter;

(ii) recommend that the director:

(A) issue orders necessary to enforce the provisions of this chapter;

(B) enforce the orders by appropriate administrative and judicial proceedings;

(C) institute judicial proceedings to secure compliance with this chapter; or

(D) advise, consult, contract, and cooperate with other agencies of the state, local governments, industries, other states, interstate or interlocal agencies, the federal government, or interested persons or groups; and

(iii) establish certification requirements for asbestos project monitors, which shall provide for experience-based certification of a person who:

(A) receives relevant asbestos training, as defined by rule; and

(B) has acquired a minimum of 1,000 hours of asbestos project monitoring related work experience.

(b) The board shall:

(i) to ensure compliance with applicable statutes and regulations:

(A) review a settlement negotiated by the director in accordance with Subsection [19-2-107\(2\)\(b\)\(viii\)](#) that requires a civil penalty of \$25,000 or more; and

(B) approve or disapprove the settlement;

(ii) encourage voluntary cooperation by persons and affected groups to achieve the purposes of this chapter;

(iii) meet the requirements of federal air pollution laws;

(iv) by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establish work practice and certification requirements for persons who:

(A) contract for hire to conduct demolition, renovation, salvage, encapsulation work involving friable asbestos-containing materials, or asbestos inspections if:

(I) the contract work is done on a site other than a residential property with four or fewer units; or

(II) the contract work is done on a residential property with four or fewer units where a tested sample contained greater than 1% of asbestos;

(B) conduct work described in Subsection (3)(b)(iv)(A) in areas to which the general public has unrestrained access or in school buildings that are subject to the federal Asbestos Hazard Emergency Response Act of 1986;

(C) conduct asbestos inspections in facilities subject to 15 U.S.C. 2601 et seq., Toxic Substances Control Act, Subchapter II - Asbestos Hazard Emergency Response; or

(D) conduct lead-based paint inspections in facilities subject to 15 U.S.C. 2601 et seq., Toxic Substances Control Act, Subchapter IV -- Lead Exposure Reduction;

(v) establish certification requirements for a person required under 15 U.S.C. 2601 et seq., Toxic Substances Control Act, Subchapter II - Asbestos Hazard Emergency Response, to be accredited as an inspector, management planner, abatement project designer, asbestos abatement contractor and supervisor, or an asbestos abatement worker;

(vi) establish certification requirements for a person required under 15 U.S.C. 2601 et seq., Toxic Control Act, Subchapter IV - Lead Exposure Reduction, to be accredited as an inspector, risk assessor, supervisor, project designer, abatement worker, renovator, or dust sampling technician; ~~and~~

(vii) assist the State Board of Education in adopting school bus idling reduction standards and implementing an idling reduction program in accordance with Section [41-6a-1308](#)~~[-]~~; and

(viii) on or before January 1, 2024, create a standard election statement for use as described in Sections [59-7-627](#) and [59-10-1046](#).

(4) A rule adopted under this chapter shall be consistent with provisions of federal laws, if any, relating to control of motor vehicles or motor vehicle emissions.

(5) Nothing in this chapter authorizes the board to require installation of or payment for any monitoring equipment by the owner or operator of a source if the owner or operator has installed or is operating monitoring equipment that is equivalent to equipment which the board

would require under this section.

(6) (a) The board may not require testing for asbestos or related materials on a residential property with four or fewer units, unless:

(i) the property's construction was completed before January 1, 1981; or

(ii) the testing is for:

(A) a sprayed-on or painted on ceiling treatment that contained or may contain asbestos fiber;

(B) asbestos cement siding or roofing materials;

(C) resilient flooring products including vinyl asbestos tile, sheet vinyl products, resilient flooring backing material, whether attached or unattached, and mastic;

(D) thermal-system insulation or tape on a duct or furnace; or

(E) vermiculite type insulation materials.

(b) A residential property with four or fewer units is subject to an abatement rule made under Subsection (1) or (3)(b)(iv) if:

(i) a sample from the property is tested for asbestos; and

(ii) the sample contains asbestos measuring greater than 1%.

(7) The board may not issue, amend, renew, modify, revoke, or terminate any of the following that are subject to the authority granted to the director under Section 19-2-107 or 19-2-108:

(a) a permit;

(b) a license;

(c) a registration;

(d) a certification; or

(e) another administrative authorization made by the director.

(8) A board member may not speak or act for the board unless the board member is authorized by a majority of a quorum of the board in a vote taken at a meeting of the board.

(9) Notwithstanding Subsection (7), the board may exercise all authority granted to the board by a federally enforceable state implementation plan.

Section 4. Section 19-2b-101 is enacted to read:

CHAPTER 2b. POLLUTION EMISSION REDUCTION ACT

Part 1. General Provision

19-2b-101. Definitions.

As used in this chapter:

(1) "Applicable geographic area" means the area described in Section [19-2b-103](#).

(2) "Area source pollution" means a stationary source of emissions that emits less than:

(a) 10 tons per year of a single air toxic; or

(b) 25 tons per year of a combination of air toxics.

(3) "Bad air day" means a day that has an air quality index of moderate or worse as determined by the division.

(4) "Division" means the Division of Air Quality.

(5) "Emissions" means sulfur dioxide, nitrogen oxides, carbon monoxide, and fine particulate matter.

(6) "Emissions county" means a county in which a person registering a motor vehicle is required to obtain an emissions test of the motor vehicle pursuant to Title 41, Motor Vehicles.

(7) "Heavy duty vehicle" means a motor vehicle:

(a) rated at more than 8,500 pounds gross vehicle weight rating; or

(b) that has a vehicle curb weight of more than 6,000 pounds.

(8) "Highway" means the same as that term is defined in Section [41-6a-102](#).

(9) "Light duty vehicle" means a motor vehicle intended primarily for operation on highways and that is not a heavy duty vehicle.

(10) "Motor vehicle" means the same as that term is defined in Section [41-6a-102](#).

(11) "Nonresidential structure" means a building or other improvement to real property:

(a) the construction of which requires a building permit; and

(b) that does not qualify as a residential structure.

(12) "Point source pollution" means a single identifiable source of pollution from which pollutants are discharged, such as a pipe, ditch, or ship or factory smokestack.

(13) "Pollution-free vehicle" means a motor vehicle that emits no exhaust gas from the onboard source of power.

(14) "Residential structure" means a building or other improvement to real property that is used for residential use, either owner occupied or income producing.

(15) (a) "Sale" or "sell" means to offer or expose for sale, barter, trade, deliver,

consign, lease, or give away.

(b) "Sale" or "sell" does not include a judicial, executor's, administrator's, or guardian's sale.

(16) "School" means a public or private:

(a) elementary school or secondary school;

(b) preschool; or

(c) kindergarten.

Section 5. Section **19-2b-102** is enacted to read:

19-2b-102. State policy for emission reduction.

It is the policy of the state to set as a goal that each of the following type of emissions within the applicable geographic area be reduced by 50% by December 31, 2030, compared to a baseline of each type of emissions within the applicable geographic area determined by the division for fiscal year 2017:

(1) fine particulate matter;

(2) carbon monoxide;

(3) sulfur dioxide; and

(4) nitrogen oxides.

Section 6. Section **19-2b-103** is enacted to read:

19-2b-103. Applicable geographic area.

(1) Unless otherwise provided in this chapter, this chapter applies to:

(a) Cache County;

(b) Davis County;

(c) Salt Lake County;

(d) Summit County;

(e) Utah County; and

(f) Weber County.

(2) The Public Service Commission's duties under Section [19-2b-301](#) apply statewide.

Section 7. Section **19-2b-201** is enacted to read:

Part 2. Administration

19-2b-201. Division powers and duties -- Air Quality Board rulemaking.

(1) Unless otherwise provided in this chapter, the division shall administer this chapter.

(2) In administering this chapter, the division shall:

(a) work with emission counties to administer Part 4, Vehicle Emissions Registration Fee Program; and

(b) publish an annual report:

(i) to be:

(A) submitted to the Legislature in accordance with Section [68-3-14](#); and

(B) available on the division's website;

(ii) that describes progress towards emission reductions; and

(iii) includes recommendations on adjustments that could:

(A) facilitate emissions reduction; or

(B) relieve a burden from a program that is not effective at reducing emissions.

(3) The Air Quality Board may make rules under this chapter in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, when expressly authorized in this chapter.

Section 8. Section **19-2b-202** is enacted to read:

19-2b-202. Air Quality Fund.

(1) (a) There is created a restricted account within the General Fund known as the "Air Quality Fund."

(b) The Air Quality Fund consists of:

(i) fees collected pursuant to this chapter;

(ii) appropriations from the Legislature;

(iii) federal money received by the division for purposes of this chapter; and

(iv) interest and other earnings described in Subsection (1)(c).

(c) The state treasurer shall deposit interest and other earnings derived from investment of money in the Air Quality Fund into the Air Quality Fund.

(2) (a) Upon appropriation by the Legislature, the division shall use the money in the Air Quality Fund in each fiscal year as follows:

(i) the division shall use 40% to fund efforts to improve air quality in the applicable geographic area, including through direct expenditures, grants, or incentives;

(ii) the division shall have transferred 40% into the Vehicle Emissions Reduction Program Restricted Account;

(iii) the division shall use 10% to pay the administrative costs of the division to implement this chapter; and

(iv) the division shall retain 10% in the Air Quality Fund.

(b) The division shall report annually to the Revenue and Taxation Interim Committee about whether the percentages described in this Subsection (2) need to be changed to adequately fund the Vehicle Emissions Reduction Program Restricted Account.

(3) Subject to Title 63J, Chapter 5, Federal Funds Procedures Act, the division shall seek a federal grant of at least \$100,000,000 to be deposited into the Air Quality Fund and distributed as provided in Subsection (2).

(4) (a) Subject to the other provisions of this Subsection (4), in determining the use of money under Subsection (2)(a), the division shall evaluate the most cost-effective ways to improve air quality and may allocate money toward those purposes.

(b) As part of the evaluation under Subsection (4)(a), the division shall evaluate:

(i) the use of air filters in schools on learning and health; and

(ii) programs in addition to those under Part 5, Vehicle Purchase Incentive Program, that assist a low-income resident to upgrade or improve the low-income resident's motor vehicle.

(c) The division may use money under Subsection (2)(a) to lower the price or provide incentives for the purchase of the following for residential use:

(i) an emissions free furnace or heat pump; and

(ii) an emissions free water heater.

Section 9. Section **19-2b-203** is enacted to read:

19-2b-203. Air quality health impacts.

(1) The division shall create an advisory board, composed of five members who are either practicing physicians or individuals with research expertise on the impacts of air quality, to advise the division on:

(a) ailments that are caused by emissions in the state; and

(b) medical costs associated with ailments outlined in Subsection (1)(a).

(2) The advisory board shall submit a report to the division by no later than December 31, 2024.

Section 10. Section **19-2b-301** is enacted to read:

Part 3. State Agency Actions**19-2b-301. State agency plans.**

(1) In addition to complying with Section 63G-17-202, the following state agencies shall prepare a plan to implement the policy adopted under Section 19-2b-102:

(a) the Department of Environmental Quality;

(b) the Governor's Office of Economic Opportunity;

(c) the Department of Natural Resources;

(d) the Department of Transportation; and

(e) the Public Service Commission.

(2) (a) A state agency listed in Subsection (1) shall prepare a plan of how the agency will reduce emissions from the state agency's activities, including procurement, and from activities the state agency oversees.

(b) A state agency shall submit the agency's plan prepared under this section to the Legislature by no later than January 1, 2024.

Section 11. Section **19-2b-302** is enacted to read:

19-2b-302. Highway air quality impact analysis.

(1) As part of the strategic initiative required by Section 72-1-211, the Department of Transportation shall prepare an analysis of the likely impacts to air quality of a state highway improvement or construction.

(2) The analysis required by this section shall compare funding a state highway improvement or construction to:

(a) taking no action; and

(b) use of money to improve pedestrian options or other forms of transit.

Section 12. Section **19-2b-401** is enacted to read:

Part 4. Vehicle Emissions Registration Fee Program**19-2b-401. New and used light duty vehicle clean air fee.**

(1) As a condition for registering a new or used light duty vehicle upon the purchase of the new or used light duty vehicle, the person who registers the light duty vehicle shall pay a clean air fee as follows, the person registering a light duty vehicle shall pay:

(a) a \$300 clean air fee if the light duty vehicle is designed to emit more than .16 grams per mile of nitrogen oxides and non-methane organic gases;

(b) a \$200 clean air fee if the vehicle is designed to emit .16 grams, or less, per mile of nitrogen oxides and non-methane organic gases, but more than .05 grams per mile of nitrogen oxides and non-methane organic gases;

(c) a \$100 clean air fee if the vehicle is designed to emit .05 grams per mile, or less, of nitrogen oxides and non-methane organic gases; and

(d) no clean air fee under this section if the light duty vehicle is a pollution-free vehicle.

(2) After paying the clean air fee under this section, when renewing the registration of a light duty vehicle, the person registering a light duty vehicle shall pay the emission fee in accordance with Section [19-2b-402](#).

Section 13. Section **19-2b-402** is enacted to read:

19-2b-402. Light duty vehicle emission fees.

(1) As used in this section, "base rate" means \$50.

(2) Subject to the requirements of this section, the division shall establish a program for the imposition of an emission fee on light duty vehicles registered in an emissions county.

(3) (a) A person renewing a registration of a light duty vehicle under Title 41, Motor Vehicles, in an emissions county shall pay a fee under the program created in Subsection (2) as a condition of renewing the registration of the light duty vehicle.

(b) (i) A person shall pay, in addition to other applicable fees, \$0 if the light duty vehicle for which the registration is being renewed is a pollution-free vehicle.

(ii) A person shall pay, in addition to other applicable fees, the base rate if the light duty vehicle for which the registration is being renewed is designed to emit .04 grams per mile, or less, of nitrogen oxides and non-methane organic gases.

(iii) A person shall pay, in addition to other applicable fees, twice the base rate if the light duty vehicle for which the registration is being renewed is designed to emit more than .04 grams per mile of nitrogen oxides and non-methane organic gases but less than .17 grams per mile of nitrogen oxides or non-methane organic gases.

(iv) A person shall pay, in addition to other applicable fees, triple the base rate if the light duty vehicle for which the registration is being renewed is designed to emit .17 grams per mile, or more, of nitrogen oxides and non-methane organic gases.

(v) A person whose light duty vehicle is within the highest 1% of polluting light duty

vehicles registered the previous year, may not renew the registration for that light duty vehicle in the current year unless the person is issued an air quality license plate in accordance with Subsection [41-1a-418\(1\)\(c\)\(v\)](#).

Section 14. Section **19-2b-403** is enacted to read:

19-2b-403. Heavy duty vehicle emission fees.

(1) As used in this section, "base rate" means \$150.

(2) Subject to the requirements of this section, the division shall establish a program for the imposition of a fee on heavy duty vehicles registered in an emissions county.

(3) (a) A person renewing the registration of a heavy duty vehicle under Title 41, Motor Vehicles, in an emission county shall pay a fee under the program created in Subsection (2) as a condition of renewing the registration of the heavy duty vehicle.

(b) (i) A person shall pay, in addition to other applicable fees, \$0 if the heavy duty vehicle for which the registration is being renewed is a pollution-free vehicle.

(ii) A person shall pay, in addition to other applicable fees, the base rate if the heavy duty vehicle for which the registration is being renewed is designed to emit .05 grams, or less, of nitrogen oxides per brake horsepower hour.

(iii) A person shall pay, in addition to other applicable fees, twice the base rate if the heavy duty vehicle for which the registration is being renewed is designed to emit more than .05 grams of nitrogen oxides per brake horsepower hour but less than 2.1 grams of nitrogen oxides per brake horsepower hour.

(iv) A person shall pay, in addition to other applicable fees, triple the base rate if the heavy duty vehicle for which the registration is being renewed is designed to emit 2.1 grams, or more, of nitrogen oxides per brake horsepower hour.

(v) A person whose heavy duty vehicle is within the highest 1% of polluting heavy duty vehicles registered the previous year, may not renew the registration of that heavy duty vehicle in the current year unless the person is issued an air quality license plate in accordance with Subsection [41-1a-418\(1\)\(c\)\(v\)](#).

Section 15. Section **19-2b-501** is enacted to read:

Part 5. Vehicle Purchase Incentive Program

19-2b-501. Definitions.

As used in this part:

(1) "Crusher" means the same as that term is defined in Section [41-3-102](#).

(2) "Dismantler" means the same as that term is defined in Section [41-3-102](#).

(3) "Eligible replacement vehicle" means a motor vehicle as defined in Section [41-1a-102](#) that is:

(a) (i) designed to emit no more than .04 grams per mile of nitrogen oxides and non-methane organic gases; or

(ii) a pollution-free vehicle;

(b) has an odometer reading equal to or less than 70,000 miles;

(c) costs no more than \$35,000 before tax, title, and licensing; and

(d) passes an emissions inspection.

(4) "Eligible trade-in vehicle" means a motor vehicle that:

(a) is of the model year 2007 or older;

(b) (i) is registered or regularly operates in a county:

(A) located in the applicable geographic area; or

(B) required to have a motor vehicle emissions inspection and maintenance program under Section [41-6a-1642](#); or

(ii) was reported to and verified by the local health department as emitting excessive amounts of smoky exhaust while being driven through a county:

(A) located in the applicable geographic area; or

(B) required to have a motor vehicle emissions inspection and maintenance program under Section [41-6a-1642](#);

(c) has been registered in the qualified vehicle owner's name in the state for at least the previous 12 months; and

(d) is drivable under the motor vehicle's own power.

(5) "Federal poverty level" means the poverty level as defined by the most recently revised poverty income guidelines published by the United States Department of Health and Human Services in the Federal Register.

(6) "Local health department" means the same as that term is defined in Section [26A-1-102](#).

(7) "Participating dealer" means a dealer as defined in Section [41-3-102](#) that signs a written agreement described in Section [19-2b-504](#) with a local health department to participate

in the program.

(8) "Participating recycler" means a crusher or dismantler that signs a written agreement described in Section [19-2b-505](#) with a local health department to participate in the program.

(9) "Purchase" means to take by sale, lease, discount, negotiation, mortgage, pledge, trust deed, lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in property.

(10) "Qualified vehicle owner" means an individual who:

(a) has a household income equal to or less than 300% of the federal poverty level; and

(b) owns an eligible trade-in vehicle.

(11) "Vehicle Emissions Reduction Program" or "program" means the program established in Section [19-2b-503](#).

Section 16. Section **19-2b-502** is enacted to read:

19-2b-502. Vehicle Emissions Reduction Program Restricted Account.

(1) There is created within the General Fund a restricted account known as the "Vehicle Emissions Reduction Program Restricted Account."

(2) The Vehicle Emissions Reduction Program Restricted Account consists of:

(a) voluntary monetary contributions received;

(b) proceeds from the sale of eligible trade-in vehicles to participating recyclers made in connection with the Vehicle Emissions Reduction Program;

(c) appropriations the Legislature makes to the Vehicle Emissions Reduction Program Restricted Account;

(d) money transferred to the Vehicle Emissions Reduction Program Restricted Account from the Air Quality Fund under Section [19-2b-202](#); and

(e) interest accrued in accordance with Subsection (3)(b).

(3) The state treasurer shall:

(a) invest the money in the Vehicle Emissions Reduction Program Restricted Account in accordance with Title 51, Chapter 7, State Money Management Act; and

(b) deposit interest or other earnings derived from the investments described in Subsection (3)(a) into the Vehicle Emissions Reduction Program Restricted Account.

(4) (a) Subject to legislative appropriations, the division shall provide financial

assistance from the Vehicle Emissions Reduction Program Restricted Account:

(i) to qualified vehicle owners who purchase eligible replacement vehicles in accordance with this part;

(ii) in a total amount of up to \$26,000,000; and

(iii) as described in Section [19-2b-506](#), in amounts that increase on a sliding scale based on:

(A) the household income of the qualified vehicle owner; and

(B) the emissions performance of the purchased eligible replacement vehicle.

(b) The division may use money in the Vehicle Emissions Reduction Program Restricted Account to:

(i) administer the program in accordance with this part; or

(ii) assist a local health department to carry out this part.

(5) The division shall deposit the money the division receives from the sale of eligible trade-in vehicles to participating recyclers in connection with this program into the Vehicle Emissions Reduction Program Restricted Account.

Section 17. Section **19-2b-503** is enacted to read:

19-2b-503. Program creation.

(1) There is created the Vehicle Emissions Reduction Program to provide financial assistance to qualified vehicle owners in purchasing eligible replacement vehicles.

(2) To receive financial assistance under the program, a qualified vehicle owner shall:

(a) in accordance with rules made under this part, apply for and obtain from a local health department certification described in Section [26A-1-131](#), which states the level of assistance the qualified vehicle owner is eligible to receive;

(b) deliver to a participating dealer:

(i) the qualified vehicle owner's eligible trade-in vehicle, including title to the vehicle; and

(ii) the certification described in Subsection (2)(a); and

(c) purchase an eligible replacement vehicle from the participating dealer described in Subsection (2)(b).

Section 18. Section **19-2b-504** is enacted to read:

19-2b-504. Participating dealers -- Reimbursement.

(1) To participate in the Vehicle Emissions Reduction Program, a dealer, as defined in Section 41-2-102, shall sign an agreement with a local health department that requires the dealer:

(a) to surrender to a participating recycler an eligible trade-in vehicle the dealer receives in connection with the program in accordance with rules established under this part; and

(b) to follow rules established in accordance with this part to receive reimbursement under this part.

(2) When a qualifying vehicle owner purchases an eligible replacement vehicle following the requirements described in Subsection 19-2b-503(2), the participating dealer shall:

(a) credit the qualifying vehicle owner's purchase with the amount of financial assistance the qualifying vehicle owner's certification, as described in Section 19-2b-503, specifies;

(b) recycle the eligible trade-in vehicle in accordance with the agreement described in Subsection (1); and

(c) provide the local health department that issued the certification described in Section 19-2b-503:

(i) a copy of the contract of sale;

(ii) a copy of the used certification;

(iii) a picture of the purchased vehicle's emission information sticker;

(iv) a receipt showing that a participating recycler received the eligible trade-in vehicle and the vehicle's title; and

(v) a request for reimbursement.

Section 19. Section **19-2b-505** is enacted to read:

19-2b-505. Participating recyclers.

(1) To participate in the Vehicle Emissions Reduction Program, a dismantler or crusher shall:

(a) certify to the local health department with a signed agreement that each vehicle the crusher or dismantler has received in connection with the program has been disabled or scrapped in accordance with rules made by the board pursuant to Section 19-2b-506;

(b) on a monthly basis, send the local health department:

(i) a list of the vehicles the crusher or dismantler received in connection with the program; and

(ii) money the crusher or dismantler owes to the local health department for the vehicles surrendered to the crusher or dismantler as described in Subsection 19-2b-504(1)(a); and

(c) comply with rules made in accordance with this part.

(2) (a) A scrapped engine, equipment, or vehicle components may be salvaged from a vehicle being replaced.

(b) If a crusher or dismantler sells a scrapped or salvaged engine, equipment, or part, the crusher or dismantler shall remit the proceeds to the local health department on a monthly basis.

Section 20. Section **19-2b-506** is enacted to read:

19-2b-506. Rulemaking.

(1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Air Quality Board shall make rules that:

(a) carry out this part;

(b) establish a certification and reimbursement process in accordance with this part;

(c) ensure that an individual who receives financial assistance under both this program and any similar program that relies on federal funding does not receive a total amount more than the individual is qualified to receive under either program alone;

(d) ensure that an eligible trade-in vehicle surrendered under this program is converted to scrap or otherwise disposed of;

(e) ensure that no engine part or emissions control system from an eligible trade-in vehicle surrendered under this program is resold, except as scrap metal; and

(f) establish a sliding scale for financial assistance provided under this part that:

(i) provides up to \$5,500 in financial assistance to a qualified vehicle owner that purchases an eligible replacement vehicle in connection with the program; and

(ii) is based on:

(A) the household income of the qualified vehicle owner; and

(B) the emissions performance of the purchased eligible replacement vehicle.

(2) In making the rules described in Subsection (1), the Air Quality Board shall:

(a) consider recommendations from the division; and

(b) coordinate with the relevant local health departments, when applicable.

Section 21. Section **19-2b-507** is enacted to read:

19-2b-507. Public service campaign.

(1) Subject to legislative appropriations, the division shall conduct a public service campaign to educate the public about:

(a) smog ratings of motor vehicles;

(b) the benefits to the state of lowering motor vehicle emissions;

(c) financial assistance available through the program; and

(d) any other program the division administers that is aimed at reducing air pollution or improving air quality in the applicable geographic area.

(2) The division may issue a request for proposal to assist the division in fulfilling the requirements described in Subsection (1).

Section 22. Section **19-2b-601** is enacted to read:

Part 6. Non-highway Mobile Pollution

19-2b-601. Rail projects.

(1) As used in this section:

(a) "Rail project" means a project within the applicable geographic area that relates to the use of railroad vehicles within the state.

(b) "State money" includes money appropriated by the Legislature under Title 59, Chapter 21, Mineral Lease Funds.

(2) A rail project that is funded in whole or in part with state money may not produce any emissions on or after December 31, 2024.

Section 23. Section **19-2b-701** is enacted to read:

Part 7. Point Source Pollution

19-2b-701. Point source pollution of bromine.

(1) By no later than December 31, 2025, the division shall complete:

(a) an inventory of point sources that emit bromine and that are located within the applicable geographic area, Tooele County, or Box Elder County; and

(b) a plan for reducing bromine emissions by 50% by December 31, 2030, compared to

a baseline of bromine emissions determined by the division within the applicable geographic area, Tooele County, and Box Elder County for fiscal year 2017.

(2) The division shall publish the inventory and plan required under Subsection (1) on the division's web page.

Section 24. Section **19-2b-702** is enacted to read:

19-2b-702. Restrictions on increased of emissions or new emissions.

An existing facility within the applicable geographic area, Tooele County, or Box Elder County, may not increase the amount of point source pollution or construct new point source pollution that would result in an increase of more than 15% of emissions in one year within a three-mile radius if a residence is located within the three-mile radius.

Section 25. Section **19-2b-801** is enacted to read:

Part 8. Area Source Pollution

19-2b-801. Nonresidential structure.

(1) A nonresidential structure located within an emissions county for which a building permit is obtained on or after July 1, 2023, shall:

(a) produce no emission after December 31, 2024; or

(b) meet a reduced emission standard described in Subsection (2).

(2) A reduced emission standard option under Subsection (1)(b) means one of the following:

(a) on and after December 31, 2024, the nonresidential structure:

(i) may not emit more than 66% of the average emissions of nonresidential structures that comply with the State Construction Code adopted under Title 15A, Chapter 2, Adoption of State Construction Code, applicable to the nonresidential structure; or

(ii) shall offset overall emissions in the same county as provided in Subsection (3);

(b) on and after December 31, 2027, the nonresidential structure:

(i) may not emit more than 33% of the average emissions of nonresidential structures that comply with the State Construction Code adopted under Title 15A, Chapter 2, Adoption of State Construction Code, applicable to the nonresidential structure; or

(ii) shall offset overall emissions in the same county as provided in Subsection (3); or

(c) on and after December 31, 2030, the nonresidential structure:

(i) may not emit any emissions; or

(ii) shall offset overall emissions in the same county as provided in Subsection (3).

(3) (a) To meet the offset requirements of Subsection (2), for each unit of emissions from the nonresidential structure the owner or operator of the nonresidential structure shall fund at least a reduction of 1.1 units of emissions in the same county from existing nonresidential structures, residential structures, or a combination of nonresidential and residential structures.

(b) The Air Quality Board shall provide in rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, how a unit of emissions is determined for purposes of this section.

(4) (a) Unless the nonresidential structure has no emissions, an owner of a nonresidential structure that is sold on or after December 31, 2025, shall make improvements to the nonresidential structure that result in a reduction in average yearly emissions of at least 5% over the yearly average from the previous two years.

(b) The division shall create a program that provides public information on how to measure average yearly emissions over a two-year time period for purposes of this Subsection (4).

Section 26. Section **19-2b-802** is enacted to read:

19-2b-802. Residential structure.

(1) A residential structure located in an emissions county for which a building permit is obtained on or after July 1, 2023, shall:

(a) produce no emissions after December 31, 2024, including emissions from furnace, water heater, dryer, or cooking emissions; or

(b) meet a reduced emission standard described in Subsection (2).

(2) Except as provided in Subsection (3), a reduced emission standard option under Subsection (1)(b) means one of the following:

(a) on and after July 1, 2024, the residential structure shall meet a standard adopted under Subsection (6) that is equivalent to a Home Energy Rating System of 60 or below;

(b) on and after December 31, 2027, the residential structure shall meet a standard adopted under Subsection (6) that is equivalent to a Home Energy Rating System of 25 or below; or

(c) on and after December 31, 2030, the residential structure shall be fully net zero

emissions.

(3) (a) If a residential structure does not meet the requirements of Subsection (1)(a) or (b), for each unit of emissions from the residential structure an owner of the residential structure shall fund at least a reduction of 1.1 units of emissions in the same county from existing nonresidential structures, residential structures, or a combination of nonresidential and residential structures.

(b) The Air Quality Board shall provide in rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, how a unit of emissions is determined for purposes of this section.

(4) (a) An owner of a residential structure for which a building permit is obtained on or after July 1, 2024, who sells the residential structure, shall disclose to the initial buyer the residential structure's score subject to rules made under Subsection (6).

(b) An owner of a residential structure that is occupied on or after July 1, 2024, shall disclose to the buyer the average emissions during the preceding three years.

(5) Unless the residential structure has zero emissions, an owner who sells a residential structure that is occupied on or after July 1, 2024, shall make improvements to the residential structure that result in a reduction in average yearly emissions of at least 5% over the yearly average from the previous two years.

(6) For purposes of this section, the Air Quality Board shall adopt, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, standards to measure the emissions of a residential structure. The standards shall assign a number score to a residential structure.

(7) The division shall create a program that provides public information on how to measure average yearly emissions for purposes of this section.

Section 27. Section **19-2b-803** is enacted to read:

19-2b-803. Wood burning stoves -- Solid fuel burning.

(1) A person may not burn wood in a wood burning stove for heating on or after December 31, 2024, in an emissions county.

(2) The division shall create a public awareness campaign, in consultation with representatives of the solid fuel burning industry, the health care industry, and members of the clean air community, on best wood burning practices and the effects of wood burning on air

quality, specifically targeting the applicable geographic area.

(3) (a) Subject to Subsection (3)(b), the division shall create a program to assist an individual to convert a dwelling to a pollution-free heating source, as funding allows, if the individual lives in a dwelling where wood burning is the sole or secondary source of heat.

(b) In creating the program described in Subsection (3)(a), the division shall give preference to an applicant who:

(i) has an adjusted gross household income of 250% or less of the federal poverty level;

(ii) lives in a house where wood is the sole or supplemental source of heating; or

(iii) lives within six miles of the Great Salt Lake Base and Meridian.

(4) Notwithstanding Subsection (1), the division shall allow burning:

(a) during local emergencies and utility outages; or

(b) if the primary purpose of the burning is to cook food.

(5) The division may seek private donations and federal sources of funding to supplement money appropriated by the Legislature to fulfill Subsection (3).

Section 28. Section **19-2b-804** is enacted to read:

19-2b-804. Small off-road equipment.

(1) As used in this section:

(a) "Small off-road engine" means an engine that:

(i) (A) produces a gross horsepower of less than 25 horsepower, at or below 19 kilowatts for a 2005 or later model year; or

(B) is designed, through fuel feed, valve timing, or other method, to produce less than 25 horsepower, at or below 19 kilowatts for a 2005 or later model year;

(ii) is not used to propel:

(A) a licensed on-road motor vehicle;

(B) an off-road motorcycle;

(C) an all-terrain vehicle;

(D) a marine vessel;

(E) a snowmobile;

(F) a model airplane;

(G) a model car; or

(H) a model boat; and

(iii) include as uses:

(A) a lawn mower;

(B) a weed trimmer;

(C) a chain saw;

(D) a golf cart;

(E) a specialty vehicle;

(F) a generator;

(G) a pump; or

(H) a similar use.

(b) "Small off-road equipment" means an off-road equipment powered by a small off-road engine or comparable electric motor or other power source.

(2) On or after July 1, 2024, a person may not sell within the applicable geographic area gas-powered small off-road equipment for residential use.

(3) This section does not apply to a small off-road engine or small off-road equipment that falls within the scope of the preemption under 42 U.S.C. Sec. 7543(e)(1)(A).

Section 29. Section **26A-1-131** is enacted to read:

26A-1-131. Vehicle Emissions Reduction Program certification.

(1) As used in this section:

(a) "Eligible replacement vehicle" means the same as that term is defined in Section [19-2b-501](#).

(b) "Participating dealer" means the same as that term is defined in Section [19-2b-501](#).

(c) "Qualified vehicle owner" means the same as that term is defined in Section [19-2b-501](#).

(d) "Vehicle Emissions Reduction Program" or "program" means the program established in Section [19-2b-501](#).

(2) A local health department shall participate as described in this section in the Vehicle Emissions Reduction Program, if the local health department is located in a county that is:

(a) required to have a motor vehicle emissions inspection and maintenance program under Section [41-6a-1642](#); or

(b) located within the applicable geographic area.

(3) In accordance with rules made under Section 19-2b-506, a local health department described in Subsection (2) shall accept an application to receive certification for financial assistance under the program.

(4) After receiving an application for certification as described in Subsection (3), a local health department shall:

(a) determine whether the applicant is a qualified vehicle owner; and

(b) if the applicant is a qualified vehicle owner:

(i) determine the amount of assistance the qualified vehicle owner is eligible to receive in accordance with the sliding scale established under Section 19-2b-506;

(ii) issue the qualified vehicle owner a certification stating:

(A) the amount described in Subsection (4)(b)(i); and

(B) any other information the Air Quality Board requires on the certification.

(5) A local health department shall enter into agreements described in Sections 19-2b-504 and 19-2b-505 in accordance with rules the Air Quality Board makes as described in Section 19-2b-506.

(6) A local health department that receives a participating dealer's request for reimbursement in accordance with Section 19-2b-504 shall reimburse the participating dealer for the amount the participating dealer credited the qualifying vehicle owner.

(7) On a monthly basis, a local health department shall submit to the Division of Air Quality:

(a) a request for reimbursement that reflects the amount participating crushers or dismantlers submitted to the local health department under Subsection 19-2b-505(2)(b) deducted from the amount the local health department reimbursed participating dealers in accordance with Subsection (6); and

(b) the documents and information submitted to the local health department under Subsections 19-2b-504(2)(c) and 19-2b-505(2).

Section 30. Section 41-1a-203 is amended to read:

41-1a-203. Prerequisites for registration, transfer of ownership, or registration renewal.

(1) (a) (i) Except as provided in Subsection (1)(b), the division shall mail a notification

to the owner of a vehicle at least 30 days before the date the vehicle's registration is due to expire.

(ii) The division shall ensure that mailing of notifications described in Section (1)(a)(i) begins as soon as practicable.

(b) (i) The division shall provide a process for a vehicle owner to choose to receive electronic notification of the pending expiration of a vehicle's registration.

(ii) If a vehicle owner chooses electronic notification, the division shall notify by email the owner of a vehicle at least 30 days before the date the vehicle's registration is due to expire.

(2) Except as otherwise provided, before registration of a vehicle, an owner shall:

(a) obtain an identification number inspection under Section 41-1a-204;

(b) obtain a certificate of emissions inspection, if required in the current year, as provided under Section 41-6a-1642;

(c) pay property taxes, the in lieu fee, or receive a property tax clearance under Section 41-1a-206 or 41-1a-207;

(d) pay the automobile driver education tax required by Section 41-1a-208;

(e) pay the applicable registration fee under Part 12, Fee and Tax Requirements;

(f) pay the uninsured motorist identification fee under Section 41-1a-1218, if applicable;

(g) pay the motor carrier fee under Section 41-1a-1219, if applicable;

(h) pay any applicable local emissions compliance fee under Section 41-1a-1223; [and]

(i) pay the taxes applicable under Title 59, Chapter 12, Sales and Use Tax Act[-];

(j) pay the vehicle emissions fee imposed under Section 19-2b-402 or 19-2b-403, if applicable; and

(k) pay the clean air fee imposed under Section 19-2b-401, if applicable.

(3) In addition to the requirements in Subsection (1), an owner of a vehicle that has not been previously registered or that is currently registered under a previous owner's name shall apply for a valid certificate of title in the owner's name before registration.

(4) The division may not issue a new registration, transfer of ownership, or registration renewal under Section 73-18-7 for a vessel or outboard motor that is subject to this chapter unless a certificate of title has been or is in the process of being issued in the same owner's name.

(5) The division may not issue a new registration, transfer of ownership, or registration renewal under Section 41-22-3 for an off-highway vehicle that is subject to this chapter unless a certificate of title has been or is in the process of being issued in the same owner's name.

(6) The division may not issue a registration renewal for a motor vehicle if the division has received a hold request for the motor vehicle for which a registration renewal has been requested as described in:

(a) Section 72-1-213.1; or

(b) Section 72-6-118.

Section 31. Section 41-1a-233 is enacted to read:

41-1a-233. Air quality license plate.

(1) If a motor vehicle is in the highest 1% of polluting vehicles as provided in Section 19-2b-402 or 19-2b-403, the owner of a motor vehicle who applies for registration under this part shall:

(a) seek registration with an air quality license plate;

(b) provide a signed statement that the owner will not operate or move, or allow another person to operate or move, the motor vehicle on a highway during a bad air day, as defined in Section 19-2b-101, to the extent prohibited under Section 41-1a-1321; and

(c) enroll the motor vehicle in the air quality road usage program under Section 72-1-213.3.

(2) A person may not register a motor vehicle described in Subsection (1) if the person does not comply with Subsection (1).

Section 32. Section 41-1a-418 is amended to read:

41-1a-418. Authorized special group license plates.

(1) The division shall only issue special group license plates in accordance with this section through Section 41-1a-422 to a person who is specified under this section within the categories listed as follows:

(a) disability special group license plates issued in accordance with Section 41-1a-420;

(b) honor special group license plates, as in a war hero, which plates are issued for a:

(i) survivor of the Japanese attack on Pearl Harbor;

(ii) former prisoner of war;

(iii) recipient of a Purple Heart;

1020 (iv) disabled veteran;
1021 (v) recipient of a gold star award issued by the United States Secretary of Defense; or
1022 (vi) recipient of a campaign or combat theater award determined by the Department of
1023 Veterans and Military Affairs;
1024 (c) unique vehicle type special group license plates, as for historical, collectors value,
1025 or other unique vehicle type, which plates are issued for:
1026 (i) a special interest vehicle;
1027 (ii) a vintage vehicle;
1028 (iii) a farm truck; [or]
1029 (iv) (A) until Subsection (1)(c)(iv)(B) or (4) applies, a vehicle powered by clean fuel as
1030 defined in Section [59-13-102](#); or
1031 (B) beginning on the effective date of rules made by the Department of Transportation
1032 authorized under Subsection [41-6a-702](#)(5)(b) and until Subsection (4) applies, a vehicle
1033 powered by clean fuel that meets the standards established by the Department of Transportation
1034 in rules authorized under Subsection [41-6a-702](#)(5)(b); or
1035 (v) a vehicle required to be registered under Section [41-1a-233](#);
1036 (d) recognition special group license plates, which plates are issued for:
1037 (i) a current member of the Legislature;
1038 (ii) a current member of the United States Congress;
1039 (iii) a current member of the National Guard;
1040 (iv) a licensed amateur radio operator;
1041 (v) a currently employed, volunteer, or retired firefighter until June 30, 2009;
1042 (vi) an emergency medical technician;
1043 (vii) a current member of a search and rescue team;
1044 (viii) a current honorary consulate designated by the United States Department of
1045 State;
1046 (ix) an individual supporting commemoration and recognition of women's suffrage;
1047 (x) an individual supporting a fraternal, initiatic order for those sharing moral and
1048 metaphysical ideals, and designed to teach ethical and philosophical matters of brotherly love,
1049 relief, and truth;
1050 (xi) an individual supporting the Utah Wing of the Civil Air Patrol; or

1051 (xii) an individual supporting the recognition and continuation of the work and life of
1052 Dr. Martin Luther King, Jr.; or
1053 (e) support special group license plates, as for a contributor to an institution or cause,
1054 which plates are issued for a contributor to:
1055 (i) an institution's scholastic scholarship fund;
1056 (ii) the Division of Wildlife Resources;
1057 (iii) the Department of Veterans and Military Affairs;
1058 (iv) the Division of Outdoor Recreation;
1059 (v) the Department of Agriculture and Food;
1060 (vi) the Guardian Ad Litem Services Account and the Children's Museum of Utah;
1061 (vii) the Boy Scouts of America;
1062 (viii) spay and neuter programs through No More Homeless Pets in Utah;
1063 (ix) the Boys and Girls Clubs of America;
1064 (x) Utah public education;
1065 (xi) programs that provide support to organizations that create affordable housing for
1066 those in severe need through the Division of Real Estate;
1067 (xii) the Department of Public Safety;
1068 (xiii) programs that support Zion National Park;
1069 (xiv) beginning on July 1, 2009, programs that provide support to firefighter
1070 organizations;
1071 (xv) programs that promote bicycle operation and safety awareness;
1072 (xvi) programs that conduct or support cancer research;
1073 (xvii) programs that create or support autism awareness;
1074 (xviii) programs that create or support humanitarian service and educational and
1075 cultural exchanges;
1076 (xix) until September 30, 2017, programs that conduct or support prostate cancer
1077 awareness, screening, detection, or prevention;
1078 (xx) programs that support and promote adoptions;
1079 (xxi) programs that support issues affecting women and children through an
1080 organization affiliated with a national professional men's basketball organization;
1081 (xxii) programs that strengthen youth soccer, build communities, and promote

environmental sustainability through an organization affiliated with a professional men's soccer organization;

(xxiii) programs that support children with heart disease;

(xxiv) programs that support the operation and maintenance of the Utah Law

Enforcement Memorial;

(xxv) programs that provide assistance to children with cancer;

(xxvi) programs that promote leadership and career development through agricultural education;

(xxvii) the Utah State Historical Society;

(xxviii) programs that promote motorcycle safety awareness;

(xxix) organizations that promote clean air through partnership, education, and awareness;

(xxx) programs dedicated to strengthening the state's Latino community through education, mentoring, and leadership opportunities;

(xxxi) organizations dedicated to facilitating, connecting, registering, and advocating for organ donors and donor families;

(xxxii) public education on behalf of the Kiwanis International clubs;

(xxxiii) the Live On suicide prevention campaign; or

(xxxiv) the Division of State Parks to advance the Utah State Parks dark sky initiative.

(2) (a) The division may not issue a new type of special group license plate or decal unless the division receives:

(i) (A) a private donation for the start-up fee established under Section 63J-1-504 for the production and administrative costs of providing the new special group license plates or decals; or

(B) a legislative appropriation for the start-up fee provided under Subsection (2)(a)(i)(A); and

(ii) beginning on January 1, 2012, and for the issuance of a support special group license plate authorized in Section 41-1a-422, at least 500 completed applications for the new type of support special group license plate or decal to be issued with all fees required under this part for the support special group license plate or decal issuance paid by each applicant.

(b) (i) Beginning on January 1, 2012, each participating organization shall collect and

hold applications for support special group license plates or decals authorized in Section 41-1a-422 on or after January 1, 2012, until it has received at least 500 applications.

(ii) Once a participating organization has received at least 500 applications, it shall submit the applications, along with the necessary fees, to the division for the division to begin working on the design and issuance of the new type of support special group license plate or decal to be issued.

(iii) Beginning on January 1, 2012, the division may not work on the issuance or design of a new support special group license plate or decal authorized in Section 41-1a-422 until the applications and fees required under this Subsection (2) have been received by the division.

(iv) The division shall begin issuance of a new support special group license plate or decal authorized in Section 41-1a-422 on or after January 1, 2012, no later than six months after receiving the applications and fees required under this Subsection (2).

(c) (i) Beginning on July 1, 2009, the division may not renew a motor vehicle registration of a motor vehicle that has been issued a firefighter recognition special group license plate unless the applicant is a contributor as defined in Subsection 41-1a-422(1)(a)(ii)(D) to the Firefighter Support Restricted Account.

(ii) A registered owner of a vehicle that has been issued a firefighter recognition special group license plate prior to July 1, 2009, upon renewal of the owner's motor vehicle registration shall:

(A) be a contributor to the Firefighter Support Restricted Account as required under Subsection (2)(c)(i); or

(B) replace the firefighter recognition special group license plate with a new license plate.

(3) Beginning on July 1, 2011, if a support special group license plate or decal type authorized in Section 41-1a-422 and issued on or after January 1, 2012, has fewer than 500 license plates issued each year for a three consecutive year time period that begins on July 1, the division may not issue that type of support special group license plate or decal to a new applicant beginning on January 1 of the following calendar year after the three consecutive year time period for which that type of support special group license plate or decal has fewer than 500 license plates issued each year.

(4) Beginning on July 1, 2011, the division may not issue to an applicant a unique

vehicle type license plate for a vehicle powered by clean fuel under Subsection (1)(c)(iv).

(5) (a) Beginning on October 1, 2017, the division may not issue a new prostate cancer support special group license plate.

(b) A registered owner of a vehicle that has been issued a prostate cancer support special group license plate before October 1, 2017, may renew the owner's motor vehicle registration, with the contribution allocated as described in Section 41-1a-422.

Section 33. Section 41-1a-1201 is amended to read:

41-1a-1201. Disposition of fees.

(1) [~~All fees~~] Fees received and collected under this part shall be transmitted daily to the state treasurer.

(2) Except as provided in Subsections (3), (6), (7), (8), and (9) and Sections 19-2b-401, 19-2b-402, 19-2b-403, 41-1a-422, 41-1a-1220, 41-1a-1221, and 41-1a-1223 [~~all~~], fees collected under this part shall be deposited into the Transportation Fund.

(3) Funds generated under Subsections 41-1a-1211(1)(b)(ii), (6)(b)(ii), and (7) and Section 41-1a-1212 may be used by the commission to cover the costs incurred in issuing license plates under Part 4, License Plates and Registration Indicia.

(4) In accordance with Section 63J-1-602.2, [~~all~~] funds available to the commission for the purchase and distribution of license plates and decals are nonlapsing.

(5) (a) Except as provided in Subsections (3) and (5)(b) and Section 41-1a-1205, the expenses of the commission in enforcing and administering this part shall be provided for by legislative appropriation from the revenues of the Transportation Fund.

(b) Three dollars of the registration fees imposed under Subsections 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under Section 41-1a-215.5 may be used by the commission to cover the costs incurred in enforcing and administering this part.

(c) Fifty cents of the registration fee imposed under Subsection 41-1a-1206(1)(i) for each vintage vehicle that has a model year of 1981 or newer may be used by the commission to cover the costs incurred in enforcing and administering this part.

(6) (a) The following portions of the registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited into the Transportation Investment Fund of 2005 created under Section 72-2-124:

1175 (i) \$30 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b),
1176 (1)(f), (4), and (7);
1177 (ii) \$21 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i) and
1178 (1)(c)(ii);
1179 (iii) \$2.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);
1180 (iv) \$23 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i);
1181 (v) \$24.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i); and
1182 (vi) \$1 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(ii).
1183 (b) The following portions of the registration fees collected for each vehicle registered
1184 for a six-month registration period under Section 41-1a-215.5 shall be deposited into the
1185 Transportation Investment Fund of 2005 created by Section 72-2-124:
1186 (i) \$23.25 of each registration fee collected under Subsection 41-1a-1206(2)(a)(i); and
1187 (ii) \$23 of each registration fee collected under Subsection 41-1a-1206(2)(a)(ii).
1188 (7) (a) Ninety-four cents of each registration fee imposed under Subsections
1189 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited into the Public Safety Restricted
1190 Account created in Section 53-3-106.
1191 (b) Seventy-one cents of each registration fee imposed under Subsections
1192 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under
1193 Section 41-1a-215.5 shall be deposited into the Public Safety Restricted Account created in
1194 Section 53-3-106.
1195 (8) (a) One dollar of each registration fee imposed under Subsections 41-1a-1206(1)(a)
1196 and (b) for each vehicle shall be deposited into the Motor Vehicle Safety Impact Restricted
1197 Account created in Section 53-8-214.
1198 (b) One dollar of each registration fee imposed under Subsections 41-1a-1206(2)(a)
1199 and (b) for each vehicle registered for a six-month registration period under Section
1200 41-1a-215.5 shall be deposited into the Motor Vehicle Safety Impact Restricted Account
1201 created in Section 53-8-214.
1202 (9) Fifty cents of each registration fee imposed under Subsection 41-1a-1206(1)(a) for
1203 each motorcycle shall be deposited into the Spinal Cord and Brain Injury Rehabilitation Fund
1204 created in Section 26-54-102.
1205 Section 34. Section 41-1a-1321 is enacted to read:

41-1a-1321. Air quality vehicles prohibited operation on bad air days.

(1) A person may not operate or move, or allow another person to operate or move, a vintage vehicle or vehicle registered with an air quality license plate on a highway during a bad air day, as defined in Section [19-2b-101](#), unless the person participates in the clean air road usage charge program under Section [72-1-213.3](#).

(2) A person who violates this section is guilty of an infraction and is subject to a maximum fine of \$30.

Section 35. Section **41-21-5** is amended to read:

41-21-5. Operation on public highways.

~~[Any]~~

(1) Except as provided in Subsection (2) or (3), a motor vehicle properly registered under this chapter may be operated or moved on the streets and highways:

(a) for going to or from any of the following when the motor vehicle and the motor vehicle's ownership are of primary interest:

(i) an assembly~~[-];~~

(ii) a convention~~[-];~~

(iii) a parade~~[-, or other];~~ or

(iv) meeting ~~[where the vehicles and their ownership are of primary interest];~~ or

(b) while ~~[they are]~~ being driven to or from, or ~~[while]~~ on a local, state, or national ~~[tours]~~ tour held primarily for the exhibition and enjoyment of the motor vehicles by their owners~~[-, and so long as]~~.

(2) A person may not operate or move a vintage vehicle on a street or highway as provided in Subsection (1), if the vehicle or group of vintage vehicles are ~~[not]~~ operated in a manner ~~[which]~~ that would constitute a public nuisance or create a hazard to other ~~[automobiles]~~ motor vehicles or persons.

(3) A person may not operate or move a vintage vehicle on a street or highway on a bad air day, as defined in Section [19-2b-101](#), as prohibited under Section [41-2a-1321](#), unless the person participates in the clean air road usage charge program under Section [72-1-213.3](#).

Section 36. Section **59-7-627** is enacted to read:

59-7-627. Nonrefundable tax credit for alternative fuel vehicles.

(1) As used in this section:

- 1237 (a) "Board" means the Air Quality Board appointed in accordance with Section
1238 19-2-103.
- 1239 (b) "Committee" means the Revenue and Taxation Interim Committee.
- 1240 (c) "Electric motor vehicle" means the same as that term is defined in Section
1241 41-1a-102.
- 1242 (d) "Election statement" means a form created by the board that:
1243 (i) (A) is executed by a purchaser or lessee of a qualifying alternative fuel vehicle; and
1244 (B) the dealer;
1245 (ii) identifies the vehicle identification number and the sales price of the qualifying
1246 alternative fuel vehicle; and
1247 (iii) affirms that the requirements of Subsection (3) have been met.
- 1248 (e) "Hydrogen vehicle" means a motor vehicle that is powered by hydrogen fuel or a
1249 hydrogen fuel cell.
- 1250 (f) "Lease" means using a qualifying alternative fuel vehicle:
1251 (i) for a period of two years or longer; and
1252 (ii) according to a contractual arrangement under which a person pays money for the
1253 use.
- 1254 (g) "Light duty vehicle" means the same as that term is defined in Section 19-2b-101.
- 1255 (h) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.
- 1256 (i) "Plug-in hybrid electric vehicle" means the same as that term is defined in Section
1257 41-1a-102.
- 1258 (j) "Qualifying alternative fuel vehicle" means a new or used electric motor vehicle,
1259 hydrogen vehicle, or plug-in hybrid electric vehicle:
1260 (i) that is a light duty vehicle;
1261 (ii) that is purchased or leased on or after January 1, 2024;
1262 (iii) that has a sales price of \$65,000 or less;
1263 (iv) (A) that is subject to sales and use tax under Chapter 12, Sales and Use Tax Act;
1264 and
1265 (B) for which the purchaser or lessee did not claim a sales and use tax exemption under
1266 Section 59-12-104; and
1267 (v) for which an income tax credit under this section or Section 59-10-1046 has not

1268 previously been claimed.

1269 (k) "Qualifying taxpayer" means a taxpayer that has not assigned a tax credit under this
1270 section in accordance with Subsection (3).

1271 (l) "Sales price" means:

1272 (i) for the purchase of a qualifying alternative fuel vehicle, the price before subtracting:

1273 (A) the value of any trade-in vehicle;

1274 (B) the amount of a tax credit under this section; and

1275 (C) the amount of sales and use tax due under Chapter 12, Sales and Use Tax Act; or

1276 (ii) for a lease of a qualifying alternative fuel vehicle, the manufacturer's suggested
1277 retail price.

1278 (2) For a taxable year beginning on or after January 1, 2024, but beginning on or before
1279 December 31, 2027, a qualifying taxpayer or a dealer may claim a nonrefundable tax credit for
1280 the purchase or lease of a qualifying alternative fuel vehicle equal to:

1281 (a) \$3,000, for the purchase of a new qualifying alternative fuel vehicle that is a light
1282 duty vehicle but not a motorcycle;

1283 (b) \$2,000, for the purchase of a used qualifying alternative fuel vehicle that is a light
1284 duty vehicle but not a motorcycle;

1285 (c) \$1,500, for the purchase of a new qualifying alternative fuel vehicle that is a
1286 motorcycle;

1287 (d) \$1,000, for the purchase of a used qualifying alternative fuel vehicle that is a
1288 motorcycle;

1289 (e) \$1,500, for the lease of a qualifying alternative fuel vehicle that is a light duty
1290 vehicle but not a motorcycle; or

1291 (f) \$1,000, for the lease of a qualifying alternative fuel vehicle that is a motorcycle.

1292 (3) (a) Except as provided in Subsection (3)(b), a taxpayer may not assign a tax credit
1293 under this section to another person.

1294 (b) A taxpayer shall assign a tax credit under this section to a dealer as follows:

1295 (i) in exchange for the consideration described in Subsection (3)(b)(iv), the taxpayer
1296 shall assign the tax credit to the dealer and forfeit the right to claim the tax credit on the
1297 taxpayer's income tax return;

1298 (ii) the taxpayer shall assign the tax credit to the dealer by executing an election

statement at the time of the purchase or lease of a qualifying alternative fuel vehicle;

(iii) the taxpayer shall register and title the vehicle in the state as required by Title 41, Chapter 1a, Part 2, Registration, and Title 41, Chapter 1a, Part 5, Titling Requirement; and

(iv) the dealer shall subtract the amount of the applicable tax credit described in Subsection (2) for the type of qualifying alternative fuel vehicle purchased or leased, minus an administrative fee equal to or less than \$150, from the purchase or lease price of the vehicle.

(c) A dealer shall retain the election statement for the same time period that a person is required to keep books and records under Section [59-1-1406](#).

(4) (a) A qualifying taxpayer that claims a tax credit under this section shall claim the tax credit for the taxable year in which the qualifying taxpayer purchases or leases the qualifying alternative fuel vehicle.

(b) A qualifying taxpayer may carry forward, for the next three taxable years, the amount of the tax credit that exceeds the qualifying taxpayer's income tax liability for the taxable year.

(c) A qualifying taxpayer may not carry back the amount of the tax credit that exceeds the qualifying taxpayer's income tax liability.

(5) (a) A dealer may claim a tax credit assigned to the dealer under Subsection (3):

(i) against a tax owed under this chapter or Chapter 10, Individual Income Tax Act; and

(ii) for the taxable year in which the taxpayer purchases or leases a qualifying alternative fuel vehicle.

(b) A dealer may carry forward, for the next three taxable years, the amount of the tax credit that exceeds the dealer's income tax liability for the taxable year.

(6) (a) On or after May 1, 2027, but on or before November 30, 2027, the committee shall review the tax credit described in this section to determine whether the tax credit should be continued.

(b) In conducting the review required under Subsection (6)(a), the committee shall:

(i) schedule time on at least one committee agenda to conduct the review;

(ii) invite state agencies, individuals, and organizations concerned with the tax credit to provide testimony; and

(iii) ensure that the committee's review includes an evaluation of:

- (A) the cost of the tax credit to the state;
(B) the purpose and effectiveness of the tax credit; and
(C) the extent to which the state benefits from the tax credit.

Section 37. Section **59-10-1046** is enacted to read:

59-10-1046. Nonrefundable tax credit for alternative fuel vehicles.

(1) As used in this section:

(a) "Board" means the Air Quality Board appointed in accordance with Section 19-2-103.

(b) "Committee" means the Revenue and Taxation Interim Committee.

(c) "Electric motor vehicle" means the same as that term is defined in Section 41-1a-102.

(d) "Election statement" means a form created by the board that:

(i) (A) is executed by a purchaser or lessee of a qualifying alternative fuel vehicle; and

(B) the dealer;

(ii) identifies the vehicle identification number and the sales price of the qualifying alternative fuel vehicle; and

(iii) affirms that the requirements of Subsection (3) have been met.

(e) "Hydrogen vehicle" means a motor vehicle that is powered by hydrogen fuel or a hydrogen fuel cell.

(f) "Lease" means using a qualifying alternative fuel vehicle:

(i) for a period of two years or longer; and

(ii) according to a contractual arrangement under which a person pays money for the use.

(g) "Light duty vehicle" means the same as that term is defined in Section 19-2b-101.

(h) "Motor vehicle" means the same as that term is defined in Section 41-1a-102.

(i) "Plug-in hybrid electric vehicle" means the same as that term is defined in Section 41-1a-102.

(j) "Qualifying alternative fuel vehicle" means a new or used electric motor vehicle, hydrogen vehicle, or plug-in hybrid electric vehicle:

(i) that is a light duty vehicle;

(ii) that is purchased or leased on or after January 1, 2024;

- 1361 (iii) that has a sales price of \$65,000 or less;
1362 (iv) (A) that is subject to sales and use tax under Chapter 12, Sales and Use Tax Act;
1363 and
1364 (B) for which the purchaser or lessee did not claim a sales and use tax exemption under
1365 Subsection 59-12-104; and
1366 (v) for which an income tax credit under this section or Section 59-7-627 has not
1367 previously been claimed.
1368 (k) "Qualifying claimant" means a claimant, estate, or trust that has not assigned a tax
1369 credit under this section in accordance with Subsection (3).
1370 (l) "Sales price" means:
1371 (i) for the purchase of a qualifying alternative fuel vehicle, the price before subtracting:
1372 (A) the value of any trade-in vehicle;
1373 (B) the amount of a tax credit under this section; and
1374 (C) the amount of sales and use tax due under Chapter 12, Sales and Use Tax Act; or
1375 (ii) for a lease of a qualifying alternative fuel vehicle, the manufacturer's suggested
1376 retail price.
1377 (2) For a taxable year beginning on or after January 1, 2024, but beginning on or before
1378 December 31, 2027, a qualifying claimant, estate, or trust or a dealer may claim a
1379 nonrefundable tax credit for the purchase or lease of a qualifying alternative fuel vehicle equal
1380 to:
1381 (a) \$3,000, for the purchase of a new qualifying alternative fuel vehicle that is a light
1382 duty vehicle but not a motorcycle;
1383 (b) \$2,000, for the purchase of a used qualifying alternative fuel vehicle that is a light
1384 duty vehicle but not a motorcycle;
1385 (c) \$1,500, for the purchase of a new qualifying alternative fuel vehicle that is a
1386 motorcycle;
1387 (d) \$1,000, for the purchase of a used qualifying alternative fuel vehicle that is a
1388 motorcycle;
1389 (e) \$1,500, for the lease of a qualifying alternative fuel vehicle that is a light duty
1390 vehicle but not a motorcycle; or
1391 (f) \$1,000, for the lease of a qualifying alternative fuel vehicle that is a motorcycle.

1392 (3) (a) Except as provided in Subsection (3)(b), a claimant, estate, or trust may not
1393 assign a tax credit under this section to another person.

1394 (b) A claimant, estate, or trust shall assign a tax credit under this section to a dealer as
1395 follows:

1396 (i) in exchange for the consideration described in Subsection (3)(b)(iv), the claimant,
1397 estate, or trust shall assign the tax credit to the dealer and forfeit the right to claim the tax credit
1398 on the claimant's, estate's, or trust's income tax return;

1399 (ii) the claimant, estate, or trust shall assign the tax credit to the dealer by executing an
1400 election statement at the time of the purchase or lease of a qualifying alternative fuel vehicle;

1401 (iii) the claimant, estate, or trust shall register and title the vehicle in the state as
1402 required by Title 41, Chapter 1a, Part 2, Registration, and Title 41, Chapter 1a, Part 5, Titling
1403 Requirement; and

1404 (iv) the dealer shall subtract the amount of the applicable tax credit described in
1405 Subsection (2) for the type of qualifying alternative fuel vehicle purchased or leased, minus an
1406 administrative fee equal to or less than \$150, from the purchase or lease price of the vehicle.

1407 (4) (a) A qualifying claimant that claims a tax credit under this section shall claim the
1408 tax credit for the taxable year in which the qualifying claimant purchases or leases the
1409 qualifying alternative fuel vehicle.

1410 (b) A qualifying claimant may carry forward, for the next three taxable years, the
1411 amount of the tax credit that exceeds the qualifying claimant's income tax liability for the
1412 taxable year.

1413 (c) A qualifying claimant may not carry back the amount of the tax credit that exceeds
1414 the qualifying claimant's income tax liability.

1415 (5) (a) A dealer may claim a tax credit assigned to the dealer under Subsection (3):

1416 (i) against a tax owed under this chapter or Chapter 7, Corporate Franchise and Income
1417 Taxes; and

1418 (ii) for the taxable year in which the claimant, estate, or trust purchases or leases a
1419 qualifying alternative fuel vehicle.

1420 (b) A dealer may carry forward, for the next three taxable years, the amount of the tax
1421 credit that exceeds the dealer's income tax liability for the taxable year.

1422 (6) (a) On or after May 1, 2027, but on or before November 30, 2027, the committee

shall review the tax credit described in this section to determine whether the tax credit should be continued.

(b) In conducting the review required under Subsection (6)(a), the committee shall:

(i) schedule time on at least one committee agenda to conduct the review;

(ii) invite state agencies, individuals, and organizations concerned with the tax credit to provide testimony; and

(iii) ensure that the committee's review includes an evaluation of:

(A) the cost of the tax credit to the state;

(B) the purpose and effectiveness of the tax credit; and

(C) the extent to which the state benefits from the tax credit.

Section 38. Section **59-13-201** is amended to read:

59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited into the Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax in limited circumstances.

(1) (a) Subject to the provisions of this section and except as provided in ~~Subsection~~ Subsections (1)(e) and (f), a tax is imposed at the rate of 16.5% of the statewide average rack price of a gallon of motor fuel per gallon upon all motor fuel that is sold, used, or received for sale or used in this state.

(b) (i) Until December 31, 2018, and subject to the requirements under Subsection (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall be determined by calculating the previous fiscal year statewide average rack price of a gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending on the previous June 30 as published by an oil pricing service.

(ii) Beginning on January 1, 2019, and subject to the requirements under Subsection (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall be determined by calculating the previous three fiscal years statewide average rack price of a gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 36 months ending on the previous June 30 as published by an oil pricing service.

(c) (i) Subject to the requirement in Subsection (1)(c)(ii), the statewide average rack price of a gallon of motor fuel determined under Subsection (1)(b) may not be less than \$1.78 per gallon.

(ii) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust the minimum statewide average rack price of a gallon of motor fuel described in Subsection (1)(c)(i) by taking the minimum statewide average rack price of a gallon of motor fuel for the previous calendar year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the minimum statewide average rack price of a gallon of motor fuel for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(iii) The statewide average rack price of a gallon of motor fuel determined by the commission under Subsection (1)(b) may not exceed \$2.43 per gallon.

(iv) The minimum statewide average rack price of a gallon of motor fuel described and adjusted under Subsections (1)(c)(i) and (ii) may not exceed the maximum statewide average rack price of a gallon of motor fuel under Subsection (1)(c)(iii).

(d) (i) The commission shall annually:

(A) determine the statewide average rack price of a gallon of motor fuel in accordance with Subsections (1)(b) and (c);

(B) adjust the fuel tax rate imposed under Subsection (1)(a), rounded to the nearest one-tenth of a cent, based on the determination under Subsection (1)(b);

(C) publish the adjusted fuel tax as a cents per gallon rate; and

(D) post or otherwise make public the adjusted fuel tax rate as determined in Subsection (1)(d)(i)(B) no later than 60 days before the annual effective date under Subsection (1)(d)(ii).

(ii) The tax rate imposed under this Subsection (1) and adjusted as required under Subsection (1)(d)(i) shall take effect on January 1 of each year.

(e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a), rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in Section 59-13-102 and are sold, used, or received for sale or use in this state.

(f) (i) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of this section, a tax is imposed at the rate of three times the rate imposed under Subsection (1)(a) upon motor fuel that:

1485 (A) is sold for retail sale within an emissions county, as defined in Section [19-2b-101](#);
1486 and

1487 (B) does not meet the United States Environmental Protection Agency's Tier 3 gasoline
1488 sulfur standard described in 40 C.F.R. Sec. 79.54.

1489 (ii) The commission may not exempt from this Subsection (1)(f) a small business as
1490 described in 40 C.F.R. Sec. 79.58.

1491 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the
1492 state or sold at refineries in the state on or after the effective date of the rate change.

1493 (3) (a) No motor fuel tax is imposed upon:

1494 (i) motor fuel that is brought into and sold in this state in original packages as purely
1495 interstate commerce sales;

1496 (ii) motor fuel that is exported from this state if proof of actual exportation on forms
1497 prescribed by the commission is made within 180 days after exportation;

1498 (iii) motor fuel or components of motor fuel that is sold and used in this state and
1499 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in
1500 this state; or

1501 (iv) motor fuel that is sold to the United States government, this state, or the political
1502 subdivisions of this state.

1503 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1504 commission shall make rules governing the procedures for administering the tax exemption
1505 provided under Subsection (3)(a)(iv).

1506 (4) The commission may either collect no tax on motor fuel exported from the state or,
1507 upon application, refund the tax paid.

1508 (5) (a) ~~[All revenue]~~ Revenue received by the commission under this part shall be
1509 deposited daily with the state treasurer and credited to the Transportation Fund.

1510 (b) An appropriation from the Transportation Fund shall be made to the commission to
1511 cover expenses incurred in the administration and enforcement of this part and the collection of
1512 the motor fuel tax.

1513 (6) (a) The commission shall determine what amount of motor fuel tax revenue is
1514 received from the sale or use of motor fuel used in motorboats registered under Title 73,
1515 Chapter 18, State Boating Act, and this amount shall be deposited into a restricted revenue

account in the General Fund of the state.

(b) The funds from this account shall be used for the construction, improvement, operation, and maintenance of state-owned boating facilities and for the payment of the costs and expenses of the Division of Outdoor Recreation in administering and enforcing Title 73, Chapter 18, State Boating Act.

(7) (a) The United States government or any of its instrumentalities, this state, or a political subdivision of this state that has purchased motor fuel from a licensed distributor or from a retail dealer of motor fuel and has paid the tax on the motor fuel as provided in this section is entitled to a refund of the tax and may file with the commission for a quarterly refund.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund provided for in Subsection (7)(a).

(8) (a) The commission shall refund annually into the Off-highway Vehicle Account in the General Fund an amount equal to .5% of the motor fuel tax revenues collected under this section.

(b) This amount shall be used as provided in Section [41-22-19](#).

(9) (a) Beginning on April 1, 2001, a tax imposed under this section on motor fuel that is sold, used, or received for sale or use in this state is reduced to the extent provided in Subsection (9)(b) if:

(i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor fuel is paid to the Navajo Nation;

(ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or not the person required to pay the tax is an enrolled member of the Navajo Nation; and

(iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this Subsection (9) for the administration of the reduction of tax.

(b) (i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this section:

(A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that difference is greater than \$0; and

(B) a person may not require the state to provide a refund, a credit, or similar tax relief

1547 if the difference described in Subsection (9)(b)(ii) is less than or equal to \$0.

1548 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:

1549 (A) the amount of tax imposed on the motor fuel by this section; less

1550 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.

1551 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under

1552 a tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or use of

1553 motor fuel does not include any interest or penalties a taxpayer may be required to pay to the

1554 Navajo Nation.

1555 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

1556 commission shall make rules governing the procedures for administering the reduction of tax

1557 provided under this Subsection (9).

1558 (e) The agreement required under Subsection (9)(a):

1559 (i) may not:

1560 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

1561 (B) provide a reduction of taxes greater than or different from the reduction described

1562 in this Subsection (9); or

1563 (C) affect the power of the state to establish rates of taxation;

1564 (ii) shall:

1565 (A) be in writing;

1566 (B) be signed by:

1567 (I) the chair of the commission or the chair's designee; and

1568 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;

1569 (C) be conditioned on obtaining any approval required by federal law;

1570 (D) state the effective date of the agreement; and

1571 (E) state any accommodation the Navajo Nation makes related to the construction and

1572 maintenance of state highways and other infrastructure within the Utah portion of the Navajo

1573 Nation; and

1574 (iii) may:

1575 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the

1576 Navajo Nation information that is:

1577 (I) contained in a document filed with the commission; and

1578 (II) related to the tax imposed under this section;

1579 (B) provide for maintaining records by the commission or the Navajo Nation; or

1580 (C) provide for inspections or audits of distributors, carriers, or retailers located or

1581 doing business within the Utah portion of the Navajo Nation.

1582 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax

1583 imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a

1584 result of the change in the tax rate is not effective until the first day of the calendar quarter after

1585 a 60-day period beginning on the date the commission receives notice:

1586 (A) from the Navajo Nation; and

1587 (B) meeting the requirements of Subsection (9)(f)(ii).

1588 (ii) The notice described in Subsection (9)(f)(i) shall state:

1589 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on

1590 motor fuel;

1591 (B) the effective date of the rate change of the tax described in Subsection (9)(f)(ii)(A);

1592 and

1593 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).

1594 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not

1595 permitted under this Subsection (9) beginning on the first day of the calendar quarter after a

1596 30-day period beginning on the day the agreement terminates.

1597 (h) If there is a conflict between this Subsection (9) and the agreement required by

1598 Subsection (9)(a), this Subsection (9) governs.

1599 Section 39. Section **63I-1-219** is amended to read:

1600 **63I-1-219. Repeal dates: Title 19.**

1601 (1) Title 19, Chapter 2, Air Conservation Act, is repealed July 1, 2029.

1602 (2) Section **19-2a-102** is repealed July 1, 2026.

1603 (3) Section **19-2a-104** is repealed July 1, 2022.

1604 (4) Title 19, Chapter 2b, Part 5, Vehicle Purchase Incentive Program, is repealed July

1605 1, 2030.

1606 ~~[(4)]~~ (5) (a) Title 19, Chapter 4, Safe Drinking Water Act, is repealed July 1, 2024.

1607 (b) Notwithstanding Subsection ~~[(4)(a)]~~ (5)(a), Section **19-4-115**, Drinking water

1608 quality in schools and child care centers, is repealed July 1, 2027.

1609 ~~[(5)]~~ (6) Title 19, Chapter 5, Water Quality Act, is repealed July 1, 2029.
1610 ~~[(6)]~~ (7) Title 19, Chapter 6, Part 1, Solid and Hazardous Waste Act, is repealed July 1,
1611 2029.
1612 ~~[(7)]~~ (8) Title 19, Chapter 6, Part 3, Hazardous Substances Mitigation Act, is repealed
1613 July 1, 2030.
1614 ~~[(8)]~~ (9) Title 19, Chapter 6, Part 4, Underground Storage Tank Act, is repealed July 1,
1615 2028.
1616 ~~[(9)]~~ (10) Title 19, Chapter 6, Part 6, Lead Acid Battery Disposal, is repealed July 1,
1617 2026.
1618 ~~[(10)]~~ (11) Title 19, Chapter 6, Part 7, Used Oil Management Act, is repealed July 1,
1619 2029.
1620 ~~[(11)]~~ (12) Title 19, Chapter 6, Part 8, Waste Tire Recycling Act, is repealed July 1,
1621 2030.
1622 ~~[(12)]~~ (13) Title 19, Chapter 6, Part 10, Mercury Switch Removal Act, is repealed July
1623 1, 2027.
1624 Section 40. Section **63I-1-226** is amended to read:
1625 **63I-1-226. Repeal dates: Titles 26 through 26B.**
1626 (1) Section **26-1-7.5**, which creates the Utah Health Advisory Council, is repealed July
1627 1, 2025.
1628 (2) Section **26-1-40** is repealed July 1, 2022.
1629 (3) Section **26-1-41** is repealed July 1, 2026.
1630 (4) Section **26-1-43** is repealed December 31, 2025.
1631 (5) Section **26-7-10** is repealed July 1, 2025.
1632 (6) Subsection **26-7-11(5)**, regarding reports to the Legislature, is repealed July 1,
1633 2028.
1634 (7) Section **26-7-14** is repealed December 31, 2027.
1635 (8) Section **26-8a-603** is repealed July 1, 2027.
1636 (9) Title 26, Chapter 9f, Utah Digital Health Service Commission Act, is repealed July
1637 1, 2025.
1638 (10) Subsection **26-10-6(5)**, which creates the Newborn Hearing Screening Committee,
1639 is repealed July 1, 2026.

- 1640 (11) Section [26-10b-106](#), which creates the Primary Care Grant Committee, is repealed
1641 July 1, 2025.
- 1642 (12) Subsection [26-15c-104](#)(3), relating to a limitation on the number of
1643 microenterprise home kitchen permits that may be issued, is repealed July 1, 2022.
- 1644 (13) Subsection [26-18-2.6](#)(9), which addresses reimbursement for dental hygienists, is
1645 repealed July 1, 2028.
- 1646 (14) Section [26-18-27](#) is repealed July 1, 2025.
- 1647 (15) Section [26-18-28](#) is repealed June 30, 2027.
- 1648 (16) Title 26, Chapter 18, Part 2, Drug Utilization Review Board, is repealed July 1,
1649 2027.
- 1650 (17) Subsection [26-18-418](#)(2), the language that states "and the Behavioral Health
1651 Crisis Response Commission created in Section [63C-18-202](#)" is repealed July 1, 2023.
- 1652 (18) Section [26-33a-117](#) is repealed December 31, 2023.
- 1653 (19) Title 26, Chapter 33a, Utah Health Data Authority Act, is repealed July 1, 2024.
- 1654 (20) Title 26, Chapter 36b, Inpatient Hospital Assessment Act, is repealed July 1,
1655 2024.
- 1656 (21) Title 26, Chapter 36c, Medicaid Expansion Hospital Assessment Act, is repealed
1657 July 1, 2024.
- 1658 (22) Title 26, Chapter 36d, Hospital Provider Assessment Act, is repealed July 1, 2024.
- 1659 (23) Section [26-39-201](#), which creates the Residential Child Care Licensing Advisory
1660 Committee, is repealed July 1, 2024.
- 1661 (24) Section [26-39-405](#), Drinking water quality in child care centers, is repealed July 1,
1662 2027.
- 1663 (25) Section [26-40-104](#), which creates the Utah Children's Health Insurance Program
1664 Advisory Council, is repealed July 1, 2025.
- 1665 (26) Section [26-50-202](#), which creates the Traumatic Brain Injury Advisory
1666 Committee, is repealed July 1, 2025.
- 1667 (27) Title 26, Chapter 54, Spinal Cord and Brain Injury Rehabilitation Fund and
1668 Pediatric Neuro-Rehabilitation Fund, is repealed January 1, 2025.
- 1669 (28) Title 26, Chapter 66, Early Childhood Utah Advisory Council, is repealed July 1,
1670 2026.

1671 (29) Title 26, Chapter 68, COVID-19 Vaccine Restrictions Act, is repealed July 1,
1672 2024.

1673 (30) Section 26-69-406 is repealed July 1, 2025.

1674 (31) Section 26A-1-131, Vehicle Emissions Reduction Program certification, is
1675 repealed July 1, 2030.

1676 [~~31~~] (32) Subsection 26B-1-204(2)(i), related to the Residential Child Care Licensing
1677 Advisory Committee, is repealed July 1, 2024.

1678 [~~32~~] (33) Subsection 26B-1-204(2)(k), related to the Primary Care Grant Committee,
1679 is repealed July 1, 2025.

1680 Section 41. Section **63I-2-259** is amended to read:

1681 **63I-2-259. Repeal dates: Title 59.**

1682 (1) In Section 59-2-926, the language that states "applicable" and "or 53F-2-301.5" is
1683 repealed July 1, 2023.

1684 (2) Subsection 59-7-610(8), relating to claiming a tax credit in the same taxable year as
1685 the targeted business income tax credit, is repealed December 31, 2024.

1686 (3) Subsection 59-7-614.10(5), relating to claiming a tax credit in the same taxable
1687 year as the targeted business income tax credit, is repealed December 31, 2024.

1688 (4) Section 59-7-624 is repealed December 31, 2024.

1689 (5) Section 59-7-627, creating a nonrefundable tax credit for alternative fuel vehicles,
1690 is repealed December 31, 2029.

1691 [~~5~~] (6) Subsection 59-10-210(2)(b)(vi) is repealed December 31, 2024.

1692 [~~6~~] (7) Subsection 59-10-1007(8), relating to claiming a tax credit in the same taxable
1693 year as the targeted business income tax credit, is repealed December 31, 2024.

1694 [~~7~~] (8) Subsection 59-10-1037(5), relating to claiming a tax credit in the same taxable
1695 year as the targeted business income tax credit, is repealed December 31, 2024.

1696 (9) Section 59-10-1046, creating a nonrefundable tax credit for alternative fuel
1697 vehicles, is repealed December 31, 2029.

1698 [~~8~~] (10) Section 59-10-1112 is repealed December 31, 2024.

1699 Section 42. Section **63I-2-272** is amended to read:

1700 **63I-2-272. Repeal dates: Title 72.**

1701 (1) Subsections 72-1-213.1(13)(a) and (b), related to the road usage charge rate and

road usage charge cap, are repealed January 1, 2033.

(2) Subsections [72-1-213.3](#)(13)(a) and (b), related to the air quality road usage charge rate and road charge cap, are repealed January 1, 2034.

~~[(2)]~~ (3) Section [72-1-216.1](#) is repealed January 1, 2023.

~~[(3)]~~ (4) Section [72-4-105.1](#) is repealed on January 1, 2024.

Section 43. Section **72-1-211** is amended to read:

72-1-211. Department to develop strategic initiatives -- Report -- Rulemaking.

(1) (a) The executive director shall develop statewide strategic initiatives across all modes of transportation.

(b) To develop the strategic initiatives described in Subsection (1)(a), the executive director shall consult with the commission and relevant stakeholders, including:

(i) metropolitan planning organizations;

(ii) county and municipal governments;

(iii) transit districts; and

(iv) other transportation stakeholders.

(c) To develop the strategic initiatives described in Subsection (1)(a), the executive director shall consider:

(i) regional transportation plans developed by metropolitan planning organizations;

(ii) local transportation plans developed by county and municipal governments;

(iii) public transit plans developed by public transit districts; and

(iv) other relevant transportation plans developed by other stakeholders.

(d) To develop the strategic initiatives described in Subsection (1)(a), the executive director shall consider projected major centers of economic activity, population growth, and job centers.

(2) (a) The strategic initiatives developed under Subsection (1) shall include consideration of the following factors:

(i) corridor preservation;

(ii) congestion reduction;

(iii) economic development and job creation;

(iv) asset management;

(v) sustainability;

1733 (vi) optimization of return on investment;
1734 (vii) development of new transportation capacity projects;
1735 (viii) long-term maintenance and operations of the transportation system;
1736 (ix) safety;
1737 (x) incident management;
1738 (xi) homeland security;
1739 (xii) mobility and access; and
1740 (xiii) transportation-related air quality as analyzed under Section 19-2b-302.
1741 (b) The strategic initiatives shall include an assessment of capacity needs and establish
1742 goals for corridors that meet all of the following:
1743 (i) high volume of travel and throughput;
1744 (ii) connection of projected major centers of economic activity, population growth, and
1745 future job centers;
1746 (iii) major freight corridors; and
1747 (iv) corridors accommodating multiple modes of travel.
1748 (3) (a) The executive director or the executive director's designee shall report the
1749 strategic initiatives of the department developed under Subsection (1) to the Transportation
1750 Commission and, before December 1 of each year, the Transportation Interim Committee.
1751 (b) The report required under Subsection (3)(a) shall include the measure that will be
1752 used to determine whether the strategic initiatives have been achieved.
1753 (4) After compliance with Subsection (3) and in accordance with Title 63G, Chapter 3,
1754 Utah Administrative Rulemaking Act, the department shall make rules establishing the
1755 strategic initiatives developed under this part.
1756 (5) The executive director shall ensure that the strategic initiatives developed under
1757 Subsection (1):
1758 (a) are reviewed and updated as needed, but no less frequent than every four years; and
1759 (b) cover at least a 20-year horizon.
1760 Section 44. Section **72-1-213.2** is amended to read:
1761 **72-1-213.2. Road Usage Charge Program Special Revenue Fund -- Revenue.**
1762 (1) There is created a special revenue fund within the Transportation Fund known as
1763 the "Road Usage Charge Program Special Revenue Fund."

- 1764 (2) (a) The fund shall be funded from the following sources:
- 1765 (i) revenue collected by the department under Section [72-1-213.1](#) or [72-1-213.3](#);
- 1766 (ii) appropriations made to the fund by the Legislature;
- 1767 (iii) contributions from other public and private sources for deposit into the fund;
- 1768 (iv) interest earnings on cash balances; and
- 1769 (v) money collected for repayments and interest on fund money.
- 1770 (b) If the revenue derived from the sources described in Subsection (2)(a) is
- 1771 insufficient to cover the costs of administering the road usage charge program under Section
- 1772 [72-1-213.1](#) or [72-1-213.3](#), subject to Subsection [72-2-107](#)(1), the department may transfer into
- 1773 the fund revenue deposited into the Transportation Fund from the fee described in Subsections
- 1774 [41-1a-1206](#)(1)(h) and (2)(b) in an amount sufficient to enable the department to administer the
- 1775 road usage charge program.
- 1776 (3) (a) Revenue generated by the road usage charge program and relevant penalties
- 1777 shall be deposited into the Road Usage Charge Program Special Revenue Fund.
- 1778 (b) Revenue in the Road Usage Charge Program Special Revenue Fund is nonlapsing.
- 1779 (4) Upon appropriation by the Legislature, the department may use revenue deposited
- 1780 into the Road Usage Charge Program Special Revenue Fund:
- 1781 (a) to cover the costs of administering the program; and
- 1782 (b) for state transportation purposes.
- 1783 Section 45. Section [72-1-213.3](#) is enacted to read:
- 1784 **[72-1-213.3](#). Clean air road usage charge program.**
- 1785 (1) As used in this section:
- 1786 (a) "Account manager" means an entity under contract with the department to
- 1787 administer and manage the clean air road usage charge program.
- 1788 (b) "Bad air day" means the same as that term is defined in Section [19-2b-101](#).
- 1789 (c) "Payment period" means the interval during which an owner is required to report
- 1790 mileage and pay the appropriate road usage charge according to the terms of the program.
- 1791 (d) "Program" means the road usage charge program established and described in this
- 1792 section.
- 1793 (e) "Relevant motor vehicle" means a motor vehicle that:
- 1794 (i) is registered:

1795 (A) under Section [41-1a-233](#); or
1796 (B) as a vintage vehicle under Section [41-1a-226](#); and
1797 (ii) is not an alternative fuel vehicle, as defined in Section [72-1-213.1](#).
1798 (f) "Road usage charge cap" means the maximum fee charged to a participant in the
1799 program for a registration period.
1800 (g) "Road usage charge rate" means the per-mile usage fee charged to a participant in
1801 the program.
1802 (2) There is established a clean air road usage charge program as described in this
1803 section.
1804 (3) (a) The department shall implement and oversee the administration of the program,
1805 which shall begin on January 1, 2024.
1806 (b) To implement and administer the program, the department may contract with an
1807 account manager.
1808 (4) (a) The owner or lessee of a relevant motor vehicle shall enroll the relevant motor
1809 vehicle in the program.
1810 (b) If an application for enrollment into the program is approved by the department, the
1811 owner or lessee of the relevant motor vehicle may participate in the program.
1812 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
1813 consistent with this section, the department:
1814 (a) shall make rules to establish:
1815 (i) processes and terms for enrollment into and withdrawal or removal from the
1816 program;
1817 (ii) payment periods and other payment methods and procedures for the program;
1818 (iii) standards for mileage reporting mechanisms for an owner or lessee of a relevant
1819 motor vehicle to report mileage as part of participation in the program;
1820 (iv) standards for program functions for mileage recording, payment processing,
1821 account management, and other similar aspects of the program;
1822 (v) contractual terms between an owner or lessee of a relevant motor vehicle owner and
1823 an account manager for participation in the program;
1824 (vi) contractual terms between the department and an account manager, including
1825 authority for an account manager to enforce the terms of the program;

1826 (vii) procedures to provide security and protection of personal information and data
1827 connected to the program, and penalties for account managers for violating privacy protection
1828 rules;

1829 (viii) penalty procedures for a program participant's failure to pay a road usage charge
1830 or tampering with a device necessary for the program; and

1831 (ix) department oversight of an account manager, including privacy protection of
1832 personal information and access and auditing capability of financial and other records related to
1833 administration of the program; and

1834 (b) may make rules to establish:

1835 (i) a process for collection of an unpaid road usage charge or penalty; or
1836 (ii) integration of the program with other similar programs, such as tolling.

1837 (6) Revenue generated by the program and relevant penalties shall be deposited into the
1838 Road Usage Charge Program Special Revenue Fund.

1839 (7) (a) The department may:

1840 (i) (A) impose a penalty for failure to timely pay a road usage charge according to the
1841 terms of the program or tampering with a device necessary for the program; and

1842 (B) request that the Division of Motor Vehicles place a hold on the registration of the
1843 owner's or lessee's relevant motor vehicle for failure to pay a road usage charge according to
1844 the terms of the program;

1845 (ii) send correspondence to the owner of a relevant motor vehicle to inform the owner
1846 or lessee of:

1847 (A) the road usage charge program, implementation, and procedures;

1848 (B) an unpaid road usage charge and the amount of the road usage charge to be paid to
1849 the department;

1850 (C) the penalty for failure to pay a road usage charge within the time period described
1851 in Subsection (7)(a)(iii); and

1852 (D) a hold being placed on the owner's or lessee's registration for the relevant motor
1853 vehicle, if the road usage charge and penalty are not paid within the time period described in
1854 Subsection (7)(a)(iii), which would prevent the renewal of the relevant motor vehicle's
1855 registration; and

1856 (iii) require that the owner or lessee of the relevant motor vehicle pay the road usage

charge to the department within 30 days of the date when the department sends written notice of the road usage charge to the owner or lessee.

(b) The department shall send the correspondence and notice described in Subsection (7)(a) to the owner of the relevant motor vehicle according to the terms of the program.

(8) (a) The Division of Motor Vehicles and the department shall share and provide access to information pertaining to a relevant motor vehicle and participation in the program including:

(i) registration and ownership information pertaining to a relevant motor vehicle;

(ii) information regarding the failure of an owner or lessee of a relevant motor vehicle to pay a road usage charge or penalty imposed under this section within the time period described in Subsection (7)(a)(iii); and

(iii) the status of a request for a hold on the registration of a relevant motor vehicle.

(b) If the department requests a hold on a registration in accordance with this section, the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.

(9) The owner of a relevant motor vehicle shall apply for enrollment in the program or withdraw from the program according to the terms established by the department pursuant to rules made under Subsection (5).

(10) If enrolled in the program, the owner or lessee of a relevant motor vehicle shall:

(a) report mileage driven as required by the department pursuant to Subsection (5);

(b) pay the road usage fee for each payment period in accordance with Subsection (5);

and

(c) comply with all other provisions of this section and other requirements of the program.

(11) The department shall submit annually, on or before October 1, to the Transportation Interim Committee, an electronic report that:

(a) states for the preceding fiscal year:

(i) the amount of revenue collected from the program;

(ii) the participation rate in the program; and

(iii) the department's costs to administer the program; and

(b) provides for the current fiscal year, an estimate of:

1888 (i) the revenue that will be collected from the program;
1889 (ii) the participation rate in the program; and
1890 (iii) the department's costs to administer the program.
1891 (12) (a) Beginning on January 1, 2024, and ending December 31, 2026:
1892 (i) the road usage charge rate is 9.26 cents per mile driven on a bad air day; and
1893 (ii) the road usage charge cap is:
1894 (A) \$250 for an annual registration period; and
1895 (B) \$125 for a six-month registration period.
1896 (b) Beginning on January 1, 2027, and ending on December 31, 2032:
1897 (i) the road usage charge rate is 10.52 cents per mile driven on a bad air day; and
1898 (ii) the road usage charge cap is:
1899 (A) \$283.89 for an annual registration period; and
1900 (B) \$141.95 for a six-month registration period.
1901 (c) Beginning on January 1, 2033:
1902 (i) the road usage charge rate is 11.71 cents per mile driven on a bad air day, unless the
1903 commission establishes a different road usage charge rate in accordance with Subsection (13);
1904 and
1905 (ii) the road usage charge cap is:
1906 (A) \$316.12 for an annual registration period; and
1907 (B) \$158.06 for a six-month registration period.
1908 (d) Beginning in 2025, the department shall, on January 1, annually adjust the road
1909 usage charge rates described in this Subsection (12) by taking the road usage charge rate for the
1910 previous year and adding an amount equal to the greater of:
1911 (i) an amount calculated by multiplying the road usage charge rate of the previous year
1912 by the actual percentage change during the previous fiscal year in the Consumer Price Index as
1913 determined by the State Tax Commission; and
1914 (ii) 0.
1915 (e) Beginning in 2025, the State Tax Commission shall, on January 1, annually adjust
1916 the road usage charge caps described in this Subsection (12) by taking the road usage charge
1917 cap for the previous year and adding an amount equal to the greater of:
1918 (i) an amount calculated by multiplying the road usage charge cap of the previous year

by the actual percentage change during the previous fiscal year in the Consumer Price Index;
and

(ii) 0.

(f) The amounts calculated as described in Subsection (12)(d) shall be rounded up to the nearest .01 cent.

(g) The amounts calculated as described in Subsection (12)(e) shall be rounded up to the nearest 25 cents.

(h) On or before January 1 of each year, the department shall publish:

(i) the adjusted road usage charge rate described in Subsection (12)(d); and

(ii) adjusted road usage charge cap described in Subsection (12)(e).

(13) (a) Beginning January 1, 2033, the commission may establish by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the road usage charge rate for each type of relevant motor vehicle.

(b) (i) Before making rules in accordance with Subsection (13)(a), the commission shall consult with the department regarding the road usage charge rate for each type of relevant motor vehicle.

(ii) The department shall cooperate with and make recommendations to the commission regarding the road usage charge rate for each type of relevant motor vehicle.

Section 46. Section **72-2-107** is amended to read:

72-2-107. Appropriation from Transportation Fund -- Apportionment for class B and class C roads.

(1) There is appropriated to the department from the Transportation Fund annually an amount equal to 30% of an amount which the director of finance shall compute in the following manner: The total revenue deposited into the Transportation Fund during the fiscal year from state highway-user taxes and fees, minus those amounts appropriated or transferred from the Transportation Fund during the same fiscal year to:

(a) the Department of Public Safety;

(b) the State Tax Commission;

(c) the Division of Finance;

(d) the Utah Travel Council;

(e) the road usage charge program created in Section [72-1-213.1](#) or [72-1-213.3](#); and

1950 (f) any other amounts appropriated or transferred for any other state agencies not a part
1951 of the department.

1952 (2) (a) Except as provided in Subsections (2)(b) and (c), all of the money appropriated
1953 in Subsection (1) shall be apportioned among counties and municipalities for class B and class
1954 C roads as provided in this title.

1955 (b) The department shall annually transfer \$500,000 of the amount calculated under
1956 Subsection (1) to the State Park Access Highways Improvement Program created in Section
1957 72-3-207.

1958 (c) Administrative costs of the department to administer class B and class C roads shall
1959 be paid from funds calculated under Subsection (1).

1960 (3) Each quarter of every year the department shall make the necessary accounting
1961 entries to transfer the money appropriated under this section for class B and class C roads.

1962 (4) The funds appropriated for class B and class C roads shall be expended under the
1963 direction of the department as the Legislature shall provide.

1964 Section 47. **Repealer.**

1965 This bill repeals:

1966 Section 19-2-107.5, **Solid fuel burning.**