

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 1038

Short Title: Mobile Source Emissions Reduction Program. (Public)

Sponsors: Senators Jenkins and Albertson.

Referred to: Agriculture/Environment/Natural Resources.

March 24, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO IMPROVE AIR QUALITY BY CREATING A MOBILE SOURCE  
3 EMISSIONS REDUCTION PROGRAM FUND THROUGH AN  
4 EMISSIONS-BASED SURCHARGE ON VEHICLE REGISTRATION FEES.

5 The General Assembly of North Carolina enacts:

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

8 "Part 4. Mobile Source Emissions Reduction Program.

9 **"§ 143-345.19. Mobile Source Emissions Reduction Program established.**

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

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

14 (1) Payments to the first owner, other than for resale, of alternative fuel  
15 vehicles and hybrid vehicles.

16 (2) Payments to owners of alternative fuel vehicles to offset higher State  
17 taxes on alternative fuel as compared to other motor fuels.

18 (3) Alternative fuel infrastructure projects.

19 (4) Truck stop electrification projects.

20 (5) Payments for the installation of particulate traps and oxidation  
21 catalysts on diesel vehicles.

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

23 (1) Alternative fuel. – Defined in G.S. 105-449.130.

24 (2) Alternative fuel vehicle. – An original equipment manufactured motor  
25 vehicle that operates on an alternative fuel.

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

28 **"§ 143-345.19A. Implementation.**

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

**"§ 143-345.19B. Funding.**

(a) **Funding Source.** – The Mobile Source Emissions Reduction Program shall be funded by a surcharge on registration fees of motor vehicles registered in the counties in which vehicle emissions testing is required under G.S. 143-215.107A. The surcharge is determined as follows:

(1) For light-duty vehicles, the surcharge is determined by multiplying one dollar (\$1.00) by a factor that is determined by dividing the vehicle's vehicle miles traveled by the vehicle's Green Vehicle Guide rating, as published by the United States Environmental Protection Agency, in accordance with the following table:

<u>Combined Green Vehicle Guide Score</u>	<u>Dividing Factor</u>
19-20	10,000
17-18	9,000
15-16	8,000
13-14	7,000
11-12	6,000
9-10	5,000
7-8	4,000
5-6	3,000
3-4	2,000
Less than 3	1,000

(2) For medium- and heavy-duty vehicles, the surcharge is determined by multiplying the mileage rate provided in the following table by the vehicle's vehicle miles traveled:

<u>Gross Vehicle Weight</u>	<u>Mileage Rate</u>	<u>Vehicle Class</u>
12,000 lbs. or less	\$0.026	MD
Over 12,000 lbs. to 16,000 lbs.	\$0.034	MF
Over 16,000 lbs to 20,000 lbs.	\$0.046	MG
Over 20,000 lbs. to 24,000 lbs.	\$0.063	MH
Over 24,000 lbs. to 28,000 lbs.	\$0.063	MJ
Over 28,000 lbs. to 32,000 lbs.	\$0.083	MK
Over 32,000 lbs. to 36,000 lbs.	\$0.099	ML
Over 36,000 lbs. to 40,000 lbs.	\$0.128	MN
Over 40,000 lbs. to 45,000 lbs.	\$0.139	MP
Over 45,000 lbs. to 55,000 lbs.	\$0.156	MR
Over 55,000 lbs. to 59,500 lbs.	\$0.178	MS

1	<u>Over 59,500 lbs. to 64,000 lbs.</u>	<u>\$0.195</u>	<u>MT</u>
2	<u>Over 64,000 lbs. to 73,280 lbs.</u>	<u>\$0.225</u>	<u>MV</u>
3	<u>Over 73,280 lbs. to 77,000 lbs</u>	<u>\$0.258</u>	<u>MX</u>
4	<u>Over 77,000 lbs.</u>	<u>\$0.275</u>	<u>MZ</u>

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

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

13 **"§ 143-345.19C. Reports.**

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

19 **SECTION 2.** G.S. 143-345.19B, as enacted by this act, becomes effective  
20 July 1, 2005, and applies to registrations due on or after that date. The remainder of this  
21 act is effective when it becomes law. This act is repealed effective July 1, 2015.