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Section 401 Title.

19-1-401. Title.

This part is known as the "Clean Fuels and Vehicle Technology Program Act."

Amended by Chapter 136, 2006 General Session

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Section 402 Definitions.

19-1-402. Definitions.

As used in this part:

(1) "Clean fuel" means:

- (a) propane, natural gas, or electricity;
- (b) other fuel the Air Quality Board certifies, as authorized by Subsection [19-1-405](#)(1)(d), to be at least as effective in reducing air pollution as fuels under Subsection (1)(a); or
- (c) other fuel that meets the clean fuel vehicle standards in the federal Clean Air Act Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.

(2) "Clean fuel vehicle" means a vehicle that:

- (a) uses a clean fuel; and
- (b) meets clean fuel vehicle standards in the federal Clean Air Act Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.

(3) "Electric-hybrid vehicle" means a vehicle:

- (a) primarily powered by an electric motor that draws current from:
 - (i) rechargeable storage batteries;
 - (ii) fuel cells; or
 - (iii) other sources of electric current; and
- (b) also operates on or is capable of operating on a nonelectrical source of power.

(4) "Fuel system" means tanks, pumps, hoses, injectors, electronic controls, and related components that deliver fuel or energy or both to a motor used to propel a vehicle.

(5) "Fund" means the Clean Fuels and Vehicle Technology Fund created in Section [19-1-403](#).

(6) (a) "Government vehicle" means a motor vehicle:

(i) registered in Utah; and

(ii) owned and operated by:

(A) the state;

(B) a public trust authority;

(C) a school district;

(D) a county; or

(E) a municipality.

(b) "Government vehicle" includes a metropolitan rapid transit motor vehicle, bus, truck, law enforcement vehicle, or emergency vehicle.

(7) "Incremental cost" means the difference between the cost of the OEM vehicle and the same vehicle model manufactured without the clean fuel fueling system.

(8) "OEM vehicle" means a vehicle manufactured by the original vehicle manufacturer or its contractor to use a clean fuel.

(9) "Private sector business vehicle" means a motor vehicle registered in Utah that is owned and operated solely in the conduct of a private business enterprise.

(10) "Refueling equipment" means compressors when used separately, compressors used in combination with cascade tanks, and other equipment that constitute a central refueling system capable of dispensing vehicle fuel.

(11) "Retrofit" means conversion or augmentation of an existing motor, fuel system, exhaust system, or related components to systems that lead to a reduction in air pollution.

Amended by Chapter 136, 2006 General Session

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Section 403

19-1-403. Clean Fuels and Vehicle Technology Fund -- Contents -- Loans or grants made with fund money.

- (1) (a) There is created a revolving fund known as the Clean Fuels and Vehicle Technology Fund.
- (b) The fund consists of:
- (i) appropriations to the fund;
 - (ii) other public and private contributions made under Subsection (1)(c);
 - (iii) interest earnings on cash balances; and
 - (iv) all money collected for loan repayments and interest on loans.
- (c) The department may accept contributions from other public and private sources for deposit into the fund.

- (2) (a) Except as provided in Subsection (3), the department may make a loan or a grant with money available in the fund for:
- (i) the conversion of a private sector business vehicle or a government vehicle to use a clean fuel, if certified by the Air Quality Board under Subsection [19-1-405](#)(1)(a);
 - (ii) the purchase of:
 - (A) an OEM vehicle for use as a private sector business vehicle or government vehicle; or
 - (B) a vehicle, certified by the Air Quality Board under Subsection [19-1-405](#)(1)(d), for use as a private sector business vehicle or government vehicle;
 - (iii) the retrofit, certified by the Air Quality Board under Subsection [19-1-405](#)(1)(d), of a private sector business vehicle or government vehicle;
 - (iv) a fuel system, certified by the Air Quality Board under Subsection [19-1-405](#)(1)(d), for a private sector business vehicle or government vehicle; or
 - (v) a state match of a federal or nonfederal grant for any item under this Subsection

(2)(a).

- (b) The amount of a loan for any vehicle under Subsection (2)(a)(i) or (2)(a)(ii)(A) may not exceed:
- (i) the actual cost of the vehicle conversion;
 - (ii) the incremental cost of purchasing the OEM vehicle; or
 - (iii) the cost of purchasing the OEM vehicle if there is no documented incremental cost.
- (c) The amount of a grant for any vehicle under Subsection (2)(a)(i) or (2)(a)(ii)(A) may not exceed:
- (i) 50% of the actual cost of the vehicle conversion minus the amount of any tax credit claimed under Section [59-7-605](#) or [59-10-1009](#) for the vehicle for which a grant is requested; or
 - (ii) 50% of the incremental cost of purchasing an OEM vehicle minus the amount of any tax credit claimed under Section [59-7-605](#) or [59-10-1009](#) for the vehicle for which a grant is requested.
- (d) (i) Except as provided in Subsection (3) and subject to the availability of money in the fund, the department may make a loan for the purchase of vehicle refueling equipment for a private sector business vehicle or a government vehicle.
- (ii) The maximum amount loaned per installation of refueling equipment may not exceed the actual cost of the refueling equipment.
- (iii) Except as provided in Subsection (3) and subject to the availability of money in the fund, the department may make a grant for a state match of a federal or nonfederal

grant for the purchase of vehicle refueling equipment for a private sector business vehicle or a government vehicle.

(3) The department may not make a loan or grant under this part for an electric-hybrid vehicle.

(4) The department may:

(a) reimburse itself for the costs incurred in administering the fund from:

(i) the fund; or

(ii) application fees; and

(b) establish an application fee for a loan or grant from the fund by following the procedures and requirements of Section [63J-1-504](#).

(5) (a) The fund balance may not exceed \$10,000,000.

(b) Interest on cash balances and repayment of loans in excess of the amount necessary to maintain the fund balance at \$10,000,000 shall be deposited in the General Fund.

(6) (a) Loans made from money in the fund shall be supported by loan documents evidencing the intent of the borrower to repay the loan.

(b) The original loan documents shall be filed with the Division of Finance and a copy shall be filed with the department.

Amended by Chapter 303, 2011 General Session

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Section 404

19-1-404. Department duties -- Rulemaking -- Loan repayment.

(1) The department shall:

(a) administer the fund created in Section [19-1-403](#) to encourage government officials and private sector business vehicle owners and operators to obtain and use clean fuel vehicles; and

(b) by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules:

(i) specifying the amount of money in the fund to be dedicated annually for grants;

(ii) limiting the amount of a grant given to any person claiming a tax credit under Section [59-7-605](#) or [59-10-1009](#) for the motor vehicle for which a grant is requested to assure that the sum of the tax credit and grant does not exceed:

(A) 50% of the incremental cost of the OEM vehicle; or

(B) 50% of the cost of conversion equipment;

- (iii) limiting the number of motor vehicles per fleet operator that may be eligible for a grant in a year;
- (iv) specifying criteria the department shall consider in prioritizing and awarding loans and grants;
- (v) specifying repayment periods;
- (vi) specifying procedures for:
 - (A) awarding loans and grants; and
 - (B) collecting loans;
- (vii) requiring all loan and grant applicants to:
 - (A) apply on forms provided by the department;
 - (B) agree in writing to use the clean fuel for which each vehicle is converted or purchased using loan or grant proceeds for a minimum of 70% of the vehicle miles traveled beginning from the time of conversion or purchase of the vehicle;
 - (C) agree in writing to notify the department if a vehicle converted or purchased using loan or grant proceeds becomes inoperable through mechanical failure or accident and to pursue a remedy outlined in department rules;
 - (D) provide reasonable data to the department on a vehicle converted or purchased with loan or grant proceeds; and
 - (E) submit a vehicle converted or purchased with loan or grant proceeds to inspections by the department as required in department rules and as necessary for administration of the loan and grant program; and
- (viii) specifying the criteria for awarding a state match under Subsection [19-1-403\(2\)](#).

- (2) (a) When developing repayment schedules for the loans, the department shall consider the projected savings from use of the clean fuel vehicle.
- (b) A repayment schedule may not exceed 10 years.
- (c) The department shall make a loan from the fund for a private sector vehicle at an interest rate equal to the annual return earned in the state treasurer's Public Treasurer's Pool as determined the month immediately preceding the closing date of the loan.
- (d) The department shall make a loan from the fund for a government vehicle with no interest rate.

- (3) The Division of Finance shall:
 - (a) collect and account for the loans; and
 - (b) have custody of all loan documents, including all notes and contracts, evidencing the indebtedness of the fund.

Amended by Chapter 382, 2008 General Session

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Section 405

19-1-405. Air Quality Board duties -- Rulemaking.

- (1) By following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Air Quality Board may make rules to:
- (a) certify a motor vehicle on which conversion equipment has been installed if:
 - (i) before the installation of conversion equipment, the motor vehicle does not exceed the emission cut points for:
 - (A) a transient test driving cycle, as specified in 40 CFR 51, Appendix E to Subpart S; or
 - (B) an equivalent test for the make, model, and year of the motor vehicle; and
 - (ii) the motor vehicle's emissions of regulated pollutants, when operating with clean fuel, is less than the emissions were before the installation of conversion equipment;
 - (b) recognize a test or standard that demonstrates a reduction in emissions;
 - (c) recognize a certification standard from another state;
 - (d) certify a fuel, vehicle, retrofit, or fuel system if it is at least as effective in reducing air pollution as fuels under Subsection [19-1-402\(1\)\(a\)](#) or vehicles under Subsection [19-1-402\(2\)](#); or
 - (e) establish criteria for determining the effectiveness of a fuel, vehicle, retrofit, or fuel system in reducing air pollution.
- (2) A reduction in emissions under Subsection (1)(a)(ii) is demonstrated by:
- (a) certification of the conversion equipment by the federal Environmental Protection Agency or by a state whose certification standards are recognized by the Air Quality Board;
 - (b) testing the motor vehicle, before and after the installation of the conversion equipment, in accordance with 40 CFR 86, Control of Air Pollution from New and In-use Motor Vehicle Engines: Certification and Test Procedures, using all fuel the motor vehicle is capable of using; or
 - (c) any other test or standard recognized by the Air Quality Board in rule.

Amended by Chapter 382, 2008 General Session