

**FINAL REPORT OF THE SUBCOMMITTEE  
STUDYING**

# **CLEAN FUELS**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



## **HOUSE DOCUMENT NO. 47**

**COMMONWEALTH OF VIRGINIA  
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## **Executive Summary**

The Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels (later renamed the Clean Fuels Study Subcommittee) was created in 1990. Its mission has been to improve and preserve air quality and reduce consumption of imported oil by promoting the use of clean-burning motor fuels other than gasoline and diesel fuel. The group has sponsored or otherwise supported the passage of more than 60 pieces of legislation reducing and eliminating regulatory roadblocks, providing tax breaks and other incentives, and encouraging pilot projects and demonstrations involving environmentally friendly alternative fuels. Of these, 49 bills and resolutions have been approved by the legislature and signed into law, giving Virginia one of the most ambitious clean fuels programs in the United States.

To the greatest degree practicable, the subcommittee has sought to remain "fuel neutral," treating all alternative fuels equally, and leaving consumers and competitive forces maximum freedom of operation in the clean fuel market place. In framing its legislative recommendations, the panel has consistently preferred broad-based incentives to strict numerical quotas and public education to bureaucratic coercion. In concluding its six years of operation, the subcommittee has recommended two additional pieces of draft legislation for consideration by the 1996 Session of the General Assembly.

The first bill extends until July 1, 1999, authorization of the use of high-occupancy vehicle facilities by vehicles displaying clean fuel vehicle license plates, regardless of the number of the vehicle's passengers. The second bill (i) repeals the present Virginia Motor Vehicle Scrappage Program, intended to improve air quality by providing a \$700 "bounty" to persons who scrap older (1981 model year older) motor vehicles, and (ii) creates a new, more flexible, Virginia Motor Vehicle Emissions Reduction Program in its place.

The subcommittee also recommended amendments to the Governor's proposed budget to provide for continued funding of the Virginia Alternative Fuels Revolving Fund at present levels (\$750,000 annually).

# I. Origin and Work of the Joint Subcommittee

The Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels was created in 1990 (HJR 113) to look into alternative fuels--alternatives to traditional motor vehicle fuels such as gasoline and diesel fuel--and consider whether it would be desirable and feasible to promote the use of these fuels in Virginia and encourage or require their use by state and local government fleet vehicles. Since then, the General Assembly has seen fit to renew and extend the mandate of this study subcommittee four times (HJR 334 in 1991, HJR 100 in 1992, HJR 9 in 1994, and HJR 410 in 1995). (The texts of these resolutions are included as appendices to this report.)

During the subcommittee's first year of its operation, its members had two primary tasks: educating themselves and then educating others both inside and outside state government. They had to learn what alternative fuels were, how they worked, how their use could benefit Virginia's air quality, what kinds of vehicles could use these fuels, and where and when use of these fuels made the most sense--both from an environmental and from an economic point of view.

When the General Assembly convened in January of 1991, the subcommittee reported (i) that it would be desirable for state government to use alternative fuels in at least some of its fleet vehicles and (ii) that such use would both acquaint the public with these fuels and their benefits and help to break the "chicken and egg" difficulty arising when vehicles to use these fuels are not available because the fuels are unavailable and the fuels are unavailable because of a lack of vehicles to use them. They also persuaded the legislature to approve several pieces of legislation that they felt would help promote use of alternative fuels:

- A bill (HB 1401) requiring that Virginia Board of Education regulations shall not unreasonably limit use of alternative fuels in school buses;
- A bill (HB 1454) permitting loans from the Literary Fund for natural gas fueling facilities for school buses;
- A bill (SB 627) granting the State Corporation Commission discretionary authority to deregulate sale of natural gas used as a motor fuel;
- A joint resolution (HJR 321) requesting the Virginia Board of Education to promote the use of alternative fuels by school buses;



- A joint resolution (HJR 334) continuing the study subcommittee's mandate;
- A joint resolution (HJR 335) memorializing Congress to provide funding for alternatively fueled transit buses;
- A joint resolution (HJR 336) requesting the Virginia Department of Transportation to amend its regulations to permit reasonable use of tunnels by alternatively fueled vehicles; and
- A joint resolution (HJR 481) requesting the Virginia Department of Transportation to undertake three alternative fuel pilot projects (Northern Virginia, Greater Richmond, and Hampton Roads).

The 1992 Session saw the General Assembly pass six further pieces of legislation supported by the subcommittee. Among these were the first proposed clean fuels tax incentives, a mechanism for linking the clean fuels study with the allied study of Virginia's implementation of the federal Clean Air Act Amendments of 1990, and the creation of the a mechanism for making limited amounts of state funds available to support state and local government clean fuels projects:

- A bill (HB 566) exempting "products used as motor vehicle fuels" (i.e., natural gas and electricity) from local utility taxes;
- A bill (HB 752 and SB 377) creating the Virginia Alternative Fuels Revolving Fund, administered by the Commonwealth Transportation Board, to make loans to local governments and state agencies for conversion of vehicles from conventional fuels (gasoline or diesel fuel) to alternative fuels;
- A joint resolution (HJR 45) commending businesses, industries, and government agencies for their efforts in seeking to improve Virginia's air quality through development and implementation of policies, programs, and technologies supporting and promoting use of alternative fuels for motor vehicles;
- A joint resolution (HJR 100) again extending the mandate of the Clean Fuels Study Subcommittee to monitor (i) three alternative fuel pilot projects being conducted by VDOT and (ii) alternative fuel pilot projects being developed by the Virginia Board of Education and undertaken by local school divisions; and

- A joint resolution (SJR 104) establishing a 23-member joint subcommittee to study the entire question of Virginia's implementation of the federal Clean Air Act Amendments of 1990.

The subcommittee's legislative agenda was particularly active during the 1993 Regular and Special Sessions of the legislature. Provision of additional clean fuels tax incentives plus implementation of the federal Clean Air Act Amendments provided the major impetus for the passage of fourteen bills and resolutions proposed or endorsed by the subcommittee:

- A bill (HB 1204) authorizing the display of special signs, stickers, or decals on alternatively fueled school buses;
- A bill (HB 1727) granting a state income tax credit of 10 percent of the amount allowed as a deduction from federal income tax for purchase of clean fuel vehicles and certain refueling equipment. To be eligible for this tax credit, the purchase must qualify for a federal deduction under § 179A of the federal Internal Revenue Code;
- Two bills (HB 1788 and SB 809) establishing for a clean fuel fleet program in Virginia, consistent with the requirements of the federal Clean Air Act;
- Two bills (HB 1881 and SB 771) providing for:
  - (i) optional special license plates for passenger cars, pickup and panel trucks powered by "clean special fuels";
  - (ii) a state tax equivalent to 10 cents per gallon (instead of the usual special fuel tax rate of 16 cents per gallon) on these fuels;
  - (iii) an annual tax of \$50 per vehicle on vehicles using these fuels if those vehicles are fueled at a private residence or "use clean special fuels upon which the tax imposed on clean special fuels has not been paid"; and
- Two bills (HB 2220 and HB 2221) establishing a "scrappage" program to provide incentives for the "retirement" of older, dirtier, motor vehicles;

- Two bills (HB 2275 and SB 861) upgrading Northern Virginia's "basic" motor vehicle emissions inspection system to an "enhanced" program;
- A bill (SB 2002) establishing a basic motor vehicle emissions inspections program for the Greater Richmond Metropolitan Area; and
- A bill (SB 960), effective January 1, 1996, providing for a 50 percent reduction in the motor vehicle sales and use tax on vehicles "manufactured to use compressed natural gas, liquified natural gas, liquified petroleum gas, hydrogen or electricity as a source of propulsion."

Many of these same subjects were taken up again in 1994, when the General Assembly approved 11 additional clean fuel initiatives:

- A bill (HB 67) including retrofitted and converted vehicles in state motor vehicle sales and use tax reductions for "clean fuel vehicles";
- A bill (HB 71) authorizing free issuance of local motor vehicle licenses (decals) for alternatively fueled vehicles;
- A bill (HB 97) including electric vehicles in state income tax credits and exemptions for "clean fuel vehicles," effective January 1, 1995;
- A bill (HB 949) limiting the Virginia income tax credit for clean fuel vehicles and related fueling facilities to vehicles and property located in Virginia;
- A bill (SB 17) exempting alternatively fueled vehicles from HOV-lane restrictions, regardless of the number of vehicle occupants;
- A bill (SB 20) permitting local governments to reduce the personal property tax rate on alternatively fueled vehicles;
- A bill (SB 66) making the Commonwealth Transportation Commissioner (rather than the Commonwealth Transportation Board) responsible for the Virginia Alternative Fuels Revolving Fund;
- A joint resolution (HJR 1) expressing the sense of the General Assembly in opposition to federal imposition of a region-wide LEV program for the northeastern US;

- A joint resolution (HJR 8) asking for changes in DMV's procedures for collecting registration data on motor vehicles to include data on type of fuel used;
- A joint resolution (HJR 9) reauthorizing the Clean Fuels Study Subcommittee; and
- A joint resolution (HJR 85) requesting the Virginia Congressional Delegation to seek the enactment of federal legislation to clarify the metropolitan Washington region can "account for" growth in emissions and use "episodic" reduction measures as part of the region's plan to meet federal clean air standards.

The familiar themes of tax incentives and implementation of the Clean Air Act Amendments were heard again in 1995. This time, though, with the addition of legislation dealing with use of vegetable oil lubricants by the Department of Forestry and a bill providing for corporate income tax credits for creation of jobs related to clean fuels and clean fuel vehicles and infrastructure. In total, ten recommendations of the subcommittee were passed by the General Assembly in 1995:

- A Bill (HB 1546) to provide clean fuel vehicle job-creation credits;
- A bill (HB 1749) to grant the Department of Forestry authority to continue and promote its vegetable oil lubricant;
- A bill (SB 656) to include gas utilities in clean fuel vehicle tax credits;
- A bill (SB 772) to suspend, until July 1, 1998, the ten-dollar surcharge for clean fuel vehicle license plates;
- A bill (SB 805) to repeal the Northern Virginia motor vehicle scrappage program (while allowing the statewide program to remain "on the books");
- A resolution (HJR 410) continuing the subcommittee's study for an additional year;
- A resolution (HJR 415) commending business for investing in clean fuel vehicles;
- A resolution (HJR 472) commending the Department of Forestry on their vegetable oil lubricant program;

- A resolution (HJR 598) memorializing Congress to consider cost effectiveness of Clean Air Act Amendment mandates; and
- A resolution (SJR 329) memorializing Congress in opposition to federally mandated subsidies for alternative fuels.

## II. Legislative Recommendations

The subcommittee concluded its six years of operation by recommending two pieces of legislation for consideration by the 1996 Session of the General Assembly (see Appendices).

The first bill extends until July 1, 1999, authorization of use of high-occupancy vehicle facilities by vehicles displaying clean fuel vehicle license plates, regardless of the number of the vehicle's passengers. Existing legislation on this subject is scheduled to expire on July 1, 1997.

The second bill (i) repeals the present Virginia Motor Vehicle Scrappage Program, intended to improve air quality by providing a \$700 "bounty" to persons who scrap older (1981 model year and older) motor vehicles, and (ii) creates a new Virginia Motor Vehicle Emissions Reduction Program in its place. The Scrappage Program, although enacted in 1993, has never gone into effect because of a lack of funding. The new program, the result of a collaborative effort by the Department of Environmental Quality and the Department of Motor Vehicles, would be a more flexible response to the need to improve and safeguard air quality. It would replace the "single solution" of vehicle scrappage under the old program with a system of negotiated agreements between Department of Environmental Quality and any business, organization, group, or individual willing to sponsor an air pollution reduction program in return for motor vehicle emissions reduction credit.

The subcommittee also agreed to recommend amendments to the Governor's proposed budget to provide for continued funding of the Virginia Alternative Fuels Revolving Fund at present levels (\$750,000 annually).

Respectfully submitted,

Arthur R. Giesen, Jr., *Chairman*  
 Warren E. Barry, *Vice Chairman*  
 William K. Barlow  
 Franklin P. Hall  
 Alan E. Mayer  
 Kenneth R. Plum  
 Joseph B. Benedetti  
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### **III. Appendices**

**Appendix A: House Joint Resolution No. 113 (1990)**

**Appendix B: House Joint Resolution No. 334 (1991)**

**Appendix C: House Joint Resolution No. 100 (1992)**

**Appendix D: House Joint Resolution No. 9 (1994)**

**Appendix E: House Joint Resolution No. 410 (1995)**

**Appendix F: Legislative Draft No. 1941244 (1996)**

**Appendix G: Legislative Draft No. 1942244 (1996)**





# **Appendix A**

**House Joint Resolution No. 113 (1994)**

**HOUSE JOINT RESOLUTION NO. 113**

*Establishing a joint subcommittee to study the use of vehicles powered by clean transportation fuels.*

Agreed to by the House of Delegates, March 9, 1990

Agreed to by the Senate, March 7, 1990

WHEREAS, the federal Clean Air Act requires state and local governments to develop state implementation plans to comply with the antipollution requirements of the Act; and

WHEREAS, strict standards for mobile source emissions will come into effect in 1991 and following years; and

WHEREAS, domestic supplies of and feedstocks for clean transportation fuels are abundant in the United States, particularly in Virginia; and

WHEREAS, use of these fuels can expand economic development in Virginia, reduce our growing dependence on energy imports, act to balance our trade deficit, and improve national energy security; and

WHEREAS, the quality of life for the citizens of Virginia can be enhanced by the development of clean transportation fuels; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee is hereby established to study the emissions, economics, safety, and other benefits of clean transportation fuels as they relate to the purchase or lease of motor vehicles by state agencies, school divisions, and local transit authorities. The joint subcommittee shall consist of ten members to be appointed as follows: four members of the House of Delegates at large, appointed by the Speaker; three members of the Senate at large, appointed by the Senate Privileges and Elections Committee; the Director of the Department of Mines, Minerals and Energy or his designee; the Executive Director of the Department of Air Pollution Control or his designee; and the Administrator of the Council on the Environment or his designee. The Secretary of Transportation, the Secretary of Public Safety and the Secretary of Natural Resources shall provide assistance to the joint subcommittee on request.

The joint subcommittee shall complete its study in time to submit its findings and recommendations to the Governor and the 1991 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of this study are estimated to be \$13,675; the direct costs of this study shall not exceed \$9,900.

## **Appendix B**

**House Joint Resolution No. 334 (1991)**

## HOUSE JOINT RESOLUTION NO. 334

*Continuing the Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels.*

Agreed to by the House of Delegates, February 22, 1991

Agreed to by the Senate, February 21, 1991

WHEREAS, through the passage of House Joint Resolution No. 113, the 1990 Session of the General Assembly established a joint subcommittee to study the use of vehicles powered by clean transportation fuels; and

WHEREAS, the work of the subcommittee was far ranging and involved several technically complex issues; and

WHEREAS, the deliberations of the subcommittee coincided with Congressional consideration and ultimate passage of voluminous and complex amendments to the federal Clean Air Act; and

WHEREAS, although the subcommittee was able to make several legislative recommendations to the Governor and the 1991 Session of the General Assembly, many issues remain to be addressed; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels is hereby continued. The subcommittee shall (i) continue its consideration of issues and proposals brought to its attention in 1990; (ii) monitor the implementation of those of its recommendations approved by the 1991 General Assembly; (iii) consider the opportunities for further action by the Commonwealth within the framework of recently enacted federal legislation; and (iv) continue to work cooperatively with the State Corporation Commission, other affected state agencies, industries, groups, and individuals in order to improve the availability and expand the use of clean transportation fuels in Virginia.

The membership of the subcommittee shall continue as constituted in 1990; any vacancy shall be filled in the same manner as the original appointment.

The subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1992 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the House/Senate Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

The subcommittee shall be limited to holding three meetings.

The indirect costs of this study are estimated to be \$8,885; the direct costs of this study shall not exceed \$5,400.

## **Appendix C**

**House Joint Resolution No. 100 (1992)**

## HOUSE JOINT RESOLUTION NO. 100

*Continuing the Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels.*

Agreed to by the House of Delegates, March 5, 1992

Agreed to by the Senate, March 3, 1992

WHEREAS, through the passage of House Joint Resolution No. 113, the 1990 Session of the General Assembly established a joint subcommittee to study the use of vehicles powered by clean transportation fuels; and

WHEREAS, through the passage of House Joint Resolution No. 334, the 1991 Session of the General Assembly continued that joint subcommittee for an additional year; and

WHEREAS, through the passage of House Joint Resolution No. 481 and Senate Joint Resolution No. 206, the 1990 Session of the General Assembly requested the Virginia Department of Transportation (VDOT) to undertake three alternative fuel pilot projects: one in Northern Virginia, one in the greater Richmond area, and one in Hampton Roads; and

WHEREAS, these VDOT alternative fuel pilot projects were to be conducted over a period of 18 months; and

WHEREAS, it is estimated that these three pilot projects will not be fully in operation before the spring of 1992 and will not be completed until at least the fall of 1993; and

WHEREAS, through the passage of House Joint Resolution No. 321, the 1990 Session of the General Assembly requested the Virginia Board of Education to promote the use of alternative fuels for school buses; and

WHEREAS, in compliance with that joint resolution, the Board of Education is pursuing with several local school divisions the establishment of pilot projects involving school buses powered by compressed natural gas; and

WHEREAS, in September of 1991, the Governor announced an ambitious energy plan for Virginia, employing many strategies involving alternative fuels; and

WHEREAS, through one of these strategies, the Virginia Department of Mines, Minerals and Energy will use \$400,000 in oil overcharge revenues to make grants to assist local governments in converting portions of their vehicle fleets to the use of alternative fuels; and

WHEREAS, local alternative fuels programs might receive additional assistance from a U.S. Department of Energy program which will make funds available for purchase of school buses powered by dedicated natural gas engines; and

WHEREAS, Virginia's implementation of the federal Clean Air Amendments of 1990 may also involve broader use of alternative fuels, especially in fleet vehicles; and

WHEREAS, scientific understanding of the potential of alternative fuels and technologies to make practical use of alternative fuels are rapidly expanding; and

WHEREAS, it is highly desirable that the General Assembly keep abreast of these developments in order that legislation involving alternative fuels and alternatively fueled vehicles may be developed and considered in an informed, careful, and timely manner; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels be hereby continued. The subcommittee shall (i) monitor and review the results of VDOT's three alternative fuel pilot projects, (ii) monitor the development and implementation of alternative fuel projects developed by the Virginia Board of Education and undertaken by local school divisions, (iii) keep abreast of scientific and technological developments related to alternative fuels and alternatively fueled vehicles, and (iv) recommend appropriate legislative actions based on these activities.

The membership of the subcommittee shall continue as constituted in 1991. Appointments to fill vacancies in the subcommittee's membership shall be made in the same manner as the original appointments, except that citizens who are not members of the House of Delegates or the Senate may be appointed by the Speaker of the House of Delegates and the Senate Committee on Privileges and Elections to fill vacancies in the subcommittee's original membership.

The subcommittee shall consult with and report to the subcommittee studying cost-effective measures which will enable Virginia to comply with the 1990 Clean Air Act, created pursuant to Senate Joint Resolution No. 104 (1992), during the 1992 interim as deemed necessary.

The subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the first regular session of the General Assembly following the completion of the three VDOT alternative fuel pilot projects requested by the 1991 Session of the General Assembly. Such report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of this study are estimated to be \$15,860; the direct costs of this study shall not exceed \$10,800.

Implementation of this resolution is subject to subsequent approval and certification by the House/Senate Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

## **Appendix D**

**House Joint Resolution No. 9 (1994)**

## HOUSE JOINT RESOLUTION NO. 9

*Continuing the Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels as the Clean Fuels Study Subcommittee.*

Agreed to by the House of Delegates, February 8, 1994  
Agreed to by the Senate, February 28, 1994

WHEREAS, through the passage of House Joint Resolution No. 113, the 1990 Session of the General Assembly established the Joint Subcommittee to Study the Use of Vehicles Powered by Clean Transportation Fuels; and

WHEREAS, through the passage of House Joint Resolution No. 334, the 1991 Session of the General Assembly continued the joint subcommittee for an additional year; and

WHEREAS, through the passage of House Joint Resolution No. 100, the 1992 Session of the General Assembly continued the joint subcommittee (i) to monitor and review the results of the Virginia Department of Transportation's three alternative fuel pilot projects, (ii) to monitor the development and implementation of alternative fuel projects developed by the Virginia Board of Education and undertaken by local school divisions, (iii) to keep abreast of scientific and technological developments related to alternative fuels and alternatively fueled vehicles, and (iv) to recommend appropriate legislative actions based on these activities; and

WHEREAS, even after four years of study, there yet remains much work for the study subcommittee to do; and

WHEREAS, as originally constituted when created by the 1990 General Assembly, the joint subcommittee's membership included representatives of three executive branch agencies, two of which have since been abolished; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Subcommittee Studying the Use of Vehicles Powered by Clean Transportation Fuels, created by the 1990 General Assembly in House Joint Resolution No. 113 and most recently continued by the 1992 General Assembly in House Joint Resolution No. 100, be hereby continued as the Clean Fuels Study Subcommittee.

The subcommittee shall consist of nine members: five members of the House of Delegates at large to be appointed by the Speaker; and four members of the Senate at large to be appointed by the Senate Committee on Privileges and Elections, provided that members of the House of Delegates and Senate presently serving on the subcommittee shall continue to serve. The Director of the Department of Environmental Quality, the Director of the Department of Mines, Minerals, and Energy, the Commonwealth Transportation Commissioner, the Commissioner of Motor Vehicles, the State Tax Commissioner, and the Superintendent of Public Instruction shall each designate a member of their staffs to serve as nonvoting participants in the deliberations of the subcommittee. Other state agencies shall assist the subcommittee in its work, upon request.

In the course of its work, the subcommittee shall be responsible for but not necessarily limited to:

1. Monitoring the operation of clean fuel demonstration and pilot projects undertaken by or through the Department of Transportation, the Department of Education, and local school divisions;

2. Monitoring the implementation and impact of other Virginia clean fuel legislation and programs as they go into operation;

3. Monitoring the conversion of state motor vehicle fleets to alternative fuels as required by the federal Clean Air Act Amendments of 1990 and the Energy Policy Act of 1992;

4. Monitoring the continuing evolution of other federal legislation related to alternative fuels and motor vehicle air pollution reduction technology and state programs implementing that legislation;

5. Considering proposals for financial and other incentives aimed at increasing the availability and use of alternative fuels and alternatively fueled vehicles and evaluating these proposals in the light of their impact upon the adequacy and integrity of Virginia's transportation program financing mechanisms;

6. Assessing the estimated economic development benefits and costs of commercializing alternative fuels to support the public and private fleet conversions required by the federal Clean Air Act and the National Energy Policy Act;

7. Examining the resource and economic development potential of using municipal and agricultural waste and energy crops for transportation bio-fuel production; and

8. Serving as a focal point for discussions and proposals leading to the development of Virginia's public policy on alternative fuels and alternatively fueled vehicles generally.

The direct costs of this study shall not exceed \$ 6,750.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.



## **Appendix E**

**House Joint Resolution No. 410 (1995)**

## HOUSE JOINT RESOLUTION NO. 410

*Continuing the Clean Fuels Study Subcommittee.*

Agreed to by the House of Delegates, February 23, 1995

Agreed to by the Senate, February 21, 1995

WHEREAS, through the passage of House Joint Resolution No. 113, the 1990 Session of the General Assembly established the Joint Subcommittee to Study the Use of Vehicles Powered by Clean Transportation Fuels; and

WHEREAS, the subcommittee's mandate was extended in 1991 (House Joint Resolution No. 334) and in 1992 (House Joint Resolution No. 100) and extended and renamed the Clean Fuels Study Subcommittee in 1994 (House Joint Resolution No. 9); and

WHEREAS, even after five years of study, there remains much work for the subcommittee to do; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Clean Fuels Study Subcommittee be continued for the purposes of (i) monitoring the operation of clean fuel demonstration and pilot projects undertaken by or through the Department of Transportation, the Department of Education, and local school divisions and the implementation and impact of federal and Virginia clean fuel legislation and programs as they go into operation; (ii) considering proposals for financial and other incentives aimed at increasing the availability and use of alternative fuels and alternatively fueled vehicles and evaluating these proposals in the light of their impact upon the adequacy and integrity of Virginia's transportation program financing mechanisms; and (iii) serving as a focal point for discussions and proposals leading to the development of Virginia's public policy on alternative fuels and alternatively fueled vehicles generally.

All agencies of the Commonwealth shall assist the subcommittee in its work, upon request. The current membership of the subcommittee shall continue to serve, with any vacancies being filled in the manner of the original appointments.

The direct costs of this study shall not exceed \$ 6,750.

The joint subcommittee shall be continued for one year only and shall complete its work in time to submit its final findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

# **Appendix F**

**Legislative Draft No. 1941244 (1996)**

A BILL to amend and reenact § 33.1-46.2 of the Code of Virginia, relating to high-occupancy vehicle lanes.

**Be it enacted by the General Assembly of Virginia:**

**1. That § 33.1-46.2 of the Code of Virginia is amended and reenacted as follows:**

§ 33.1-46.2. Designation of high-occupancy vehicle lanes; use of such lanes; penalties.

A. In order to facilitate the rapid and orderly movement of traffic to and from urban areas during peak traffic periods, the Commonwealth Transportation Board may designate one or more lanes of any highway in the interstate, primary, or secondary highway systems as high-occupancy vehicle lanes, hereinafter referred to in this section as HOV lanes. When lanes have been so designated and have been appropriately marked with such signs or other markers as the Board may prescribe, they shall be reserved during periods designated by the Board for the exclusive use of buses and high-occupancy vehicles. Any local governing body may also, with respect to highways under its exclusive jurisdiction, designate HOV lanes and impose and enforce restrictions on the use of such HOV lanes. Any highway for which the local jurisdiction receives highway maintenance funds pursuant to § 33.1-41.1 shall be deemed to be within the exclusive jurisdiction of the local governing body for the purposes of this section. HOV lanes shall be reserved for high-occupancy vehicles of a specified number of occupants as determined by the Board or, for HOV lanes designated by a local governing body, by that local governing body. Notwithstanding the foregoing provisions of this section, no designation of any lane or lanes of any highway as HOV lanes shall apply to the use of any such lanes by:

1. Emergency vehicles such as fire-fighting vehicles, ambulances, and rescue squad vehicles,
2. Law-enforcement vehicles,

3. Vehicles of public utility companies operating in response to an emergency call, or

4. Until July 1, ~~1997~~ 1999, vehicles bearing clean special fuel vehicle license plates issued pursuant to § 46.2-749.3.

B. In designating any lane or lanes of any highway as HOV lanes the Board, or local governing body as the case may be, shall specify the hour or hours of each day of the week during which the lanes shall be so reserved, and the hour or hours shall be plainly posted at whatever intervals along the lanes the Board or local governing body deems appropriate. Any person driving a motor vehicle in a designated HOV lane in violation of this section shall be guilty of a traffic infraction which shall not be a moving violation and on conviction shall be fined fifty dollars.

C. In the prosecution of an offense, committed in the presence of a law-enforcement officer, of failure to obey a road sign restricting a highway, or portion thereof, to the use of high-occupancy vehicles, proof that the vehicle described in the HOV violation summons was operated in violation of this section, together with proof that the defendant was at the time of such violation the registered owner of the vehicle, shall constitute in evidence a rebuttable presumption that such registered owner of the vehicle was the person who committed the violation. Such presumption shall be rebutted if the registered owner of the vehicle testifies in open court under oath that he was not the operator of the vehicle at the time of the violation. A summons for a violation of this section may be executed in accordance with § 19.2-76.2. Such rebuttable presumption shall not arise when the registered owner of the vehicle is a rental or leasing company.

D. Notwithstanding the provisions of § 19.2-76, whenever a summons for a violation of this section is served in any county, city, or town, it may be executed by mailing by first-class mail a copy thereof to the address of the owner of the vehicle as shown on the records of the Department of Motor Vehicles. If the summoned person

fails to appear on the date of return set out in the summons mailed pursuant to this section, the summons shall be executed in the manner set out in § 19.2-76.3.

No proceedings for contempt or arrest of a person summoned by mailing shall be instituted for his failure to appear on the return date of the summons.

E. Notwithstanding § 33.1-252, high-occupancy vehicles having three or more occupants (HOV-3) may be permitted to use the Omer L. Hirst-Adelard L. Brault Expressway (Dulles Toll Road) without paying a toll.

F. Notwithstanding the contrary provisions of this section, the following conditions shall be met before the HOV-2 designation of Interstate Route 66 outside the Capital Beltway can be changed to HOV-3 or any more restrictive designation:

1. The Department shall publish a notice of its intent to change the existing designation and also immediately provide similar notice of its intent to all members of the General Assembly representing districts that touch or are directly impacted by traffic on Interstate Route 66.

2. The Department shall hold public hearings in the corridor to receive comments from the public.

3. The Department shall make a finding of the need for a change in such designation, based on public hearings and its internal data and present this finding to the Commonwealth Transportation Board for approval.

4. The Commonwealth Transportation Board shall make written findings and a decision based upon the following criteria:

- a. Is changing the HOV-2 designation to HOV-3 in the public interest?
- b. Is there quantitative and qualitative evidence that supports the argument that HOV-3 will facilitate the flow of traffic on Interstate Route 66?
- c. Is changing the HOV-2 designation beneficial to comply with the federal Clean Air Act Amendments of 1990?

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# **Appendix G**

**Legislative Draft No. 1942244 (1996)**

A BILL to amend the Code of Virginia by adding in Title 46.2 a chapter numbered 27, consisting of sections numbered 46.2-2700 through 46.2-2703, and to repeal Chapter 18 (§§ 46.2-1801 through 46.2-1805) of Title 46.2 of the Code of Virginia, relating to the Virginia Motor Vehicle Emissions Reduction Program and the Virginia Motor Vehicle Scrappage Program.

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Title 46.2 a chapter numbered 27, consisting of sections numbered 46.2-2700 through 46.2-2703, as follows:**

CHAPTER 27.

VIRGINIA MOTOR VEHICLE EMISSIONS REDUCTION PROGRAM.

§ 46.2-2700. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Eligible vehicle" means a motor vehicle that (i) is titled in Virginia, (ii) is registered and principally garaged in an air quality nonattainment or maintenance area designated in Virginia pursuant to the federal Clean Air Act Amendments of 1990, (iii) is neither an abandoned motor vehicle nor inoperable abandoned motor vehicle as those terms are defined in § 46.2-1200, and (iv) meets such other qualifications as may be mutually established by agreement between a sponsor and the Department of Environmental Quality.

"Emissions reduction strategy" means any method used to reduce motor vehicle emissions in accordance with an agreement established between a sponsor and the Department of Environmental Quality.

"Fund" means the Virginia Motor Vehicle Emissions Reduction Program Fund provided for in § 46.2-2702.



"Motor vehicle emissions reduction credit" means a measurement in units of mass per time or distance, such as grams per mile or tons per day, of reduction of exhaust or evaporative emissions from a motor vehicle.

"Sponsor" means any business, organization, group or individual that purchases or obtains access to eligible vehicles for the purpose of reducing motor vehicle emissions pursuant to the provisions of this chapter and in accordance with federal guidelines.

§ 46.2-2701. Establishment of the Virginia Motor Vehicle Emissions Reduction Program; responsibilities under the program; general criteria for strategies.

A. Pursuant to an agreement established between a sponsor and the Department of Environmental Quality, any sponsor may use its moneys to reduce the emissions from eligible vehicles in order to generate air pollution credits, as set forth in § 46.2-2703.

B. It is the responsibility of the Department of Environmental Quality to establish general criteria for the types of emissions reduction strategies that may be used to cause vehicle emissions reductions, and to the extent necessary, monitor and administer the provisions of this chapter.

C. It is the responsibility of the sponsors to use or donate moneys; purchase eligible vehicles; scrap, or otherwise reduce emissions from, such vehicles; and, if motor vehicle emissions reduction credits are desired, to coordinate and complete such activities in consultation with, and subject to the approval of the Department of Environmental Quality.

D. The general criteria for emissions reduction strategies established by the Department of Environmental Quality for the operation and administration of the Virginia Motor Vehicle Emissions Reduction Program shall include, but not be limited to, the following:

1. Identification of potential participants based on emissions data and other data deemed pertinent by the Department of Environmental Quality.

2. Maintenance of data by the sponsor or the Department of Environmental Quality on vehicles involved in or otherwise affected by the program.

3. If vehicle scrapping is the emission reduction strategy used by a sponsor, provision for a review period, not to exceed fourteen consecutive calendar days, for automobile collectors, hobbyists and enthusiasts to allow such individuals and groups the opportunity to purchase vehicles participating in the program from the original owners of such vehicles prior to such vehicles being scrapped.

4. Measures to prevent fraudulent use of vehicles, vehicle records or vehicle emissions data for the purpose of creating motor vehicle emissions reduction credits.

§ 46.2-2702. Virginia Motor Vehicle Emissions Reduction Program Fund.

There is hereby established within the state treasury a special fund known as the Virginia Motor Vehicle Emission Reduction Program Fund. Proceeds of the Fund shall be used to meet the administrative costs of the Department of Environmental Quality associated with the Virginia Motor Vehicle Emissions Reduction Program as provided for in this chapter and for no other purpose. The Comptroller shall oversee the operation of the Fund and maintain an accurate record of all transactions involving the Fund. The Fund shall consist of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Fund. The Executive Director of the Department of Environmental Quality is authorized to apply for, receive, and accept from the United States government or any agency or instrumentality thereof and from any other source, public or private, any and all gifts, grants, allotments, bequests, or devises of any nature which, in his opinion, are suitable for the purposes of this chapter and shall deposit them in the Fund. Any moneys remaining in the Fund at the end of a biennium shall remain in the Fund and

shall not revert to the general fund. Interest earned on moneys received by the Fund shall remain in the Fund and be credited to it.

§ 46.2-2703. Air pollution credits in return for reducing motor vehicle emissions.

A. To the extent that such credits are available, the Department of Environmental Quality shall, in a manner and to an extent consistent with federal law, award motor vehicle emissions reduction credits to sponsors in return for reducing motor vehicles emissions in accordance with agreements established between sponsors and the Department of Environmental Quality. Such reductions in motor vehicle emissions shall be determined by tests performed or monitored by the Department of Environmental Quality or by other such measures agreed upon by the sponsors and the Department of Environmental Quality. The terms and conditions relating to the performance or monitoring of such tests and the process for determining the amount of emissions reductions and associated motor vehicle emissions reduction credits awarded shall be mutually agreed to by each sponsor and the Department of Environmental Quality prior to the implementation of any emission reduction strategy by its sponsor.

B. If a sponsor, in accordance with the agreement established between the sponsor and the Department of Environmental Quality, relinquishes or otherwise does not choose to be awarded or granted motor vehicle emissions reduction credits for implementing an emissions reduction strategy, those credits available for such reductions in air pollution shall be used to meet the air quality goals of the particular area in which such emissions reduction strategies have been implemented.

**2. That Chapter 18 (§§ 46.2-1801 through 46.2-1805) of Title 46.2 of the Code of Virginia is repealed.**

**3. That the provisions of this act shall expire on July 1, 1999, if no sponsor has implemented emissions reduction strategies pursuant to this act on or before that date.**

