

A bill for an act

relating to environment; enacting the Minnesota Clean Car Act; requiring decreased emission of criteria air pollutants and greenhouse gas pollution from new motor vehicles; requiring adoption of low emission standards for motor vehicles; providing for updates as necessary to comply with the federal Clean Air Act; requiring reports; requiring rulemaking; amending Minnesota Statutes 2008, section 168A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [116.393] CITATION.

Sections 116.393 to 116.399 may be cited as the "Minnesota Clean Car Act."

Sec. 2. [116.394] DEFINITIONS.

Subdivision 1. **Applicability.** The terms used in sections 116.393 to 116.399 have the meanings given in this section and California Code of Regulations, title 13, sections 1900 to 2235.

Subd. 2. **CARB.** "CARB" means the California Air Resources Board.

Subd. 3. **CCR.** "CCR" means the California Code of Regulations.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Subd. 5. **E85.** "E85" has the meaning given in section 296A.01, subdivision 19.

Subd. 6. **Flexible fuel vehicle.** "Flexible fuel vehicle" means a vehicle that may run on fuel other than gasoline.

Subd. 7. **Light-duty truck.** "Light-duty truck" means any 2013 and subsequent model year motor vehicle rated at 8,500 pounds gross weight or less, and any other motor

vehicle rated at 6,000 pounds gross vehicle weight or less, which is designed primarily for purposes of transportation of property.

Subd. 8. **Low-emission vehicle program.** "Low-emission vehicle program" means the low-emission vehicle regulations and executive orders adopted by CARB under CCR, title 13, sections 1900, 1956.8(g) and (h), 1960.1, 1961, 1961.1, 1962, 1962.1, 1965, 1968.2, 1968.5, 1976, 1978, 2035, 2037, 2038, 2039, 2040, 2046, 2109, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2135, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2235, and Appendix A to Article 2.1.

Subd. 9. **Medium-duty passenger vehicle.** "Medium-duty passenger vehicle" means any medium-duty vehicle with a gross vehicle weight rating of less than 10,000 pounds that is designed primarily for the transportation of persons. Medium-duty passenger vehicle does not include a vehicle that:

(1) is an "incomplete truck," that is, a truck that does not have the primary load carry device or container attached;

(2) has a seating capacity of more than 12 persons;

(3) is designed for more than nine persons in seating rearward of the driver's seat; or

(4) is equipped with an open cargo area of 72.0 inches in interior length or more.

A covered box not readily accessible from the passenger compartment is an open cargo area for purposes of this definition.

Subd. 10. **Medium-duty vehicle.** "Medium-duty vehicle" means any 2013 and subsequent model year vehicle having a manufacturer's gross vehicle weight rating between 8,501 and 14,000 pounds.

Subd. 11. **Motor vehicle.** "Motor vehicle" means a passenger car, light-duty truck, medium-duty passenger vehicle, or medium-duty vehicle. Motor vehicle does not include a motorcycle, snowmobile, all-terrain vehicle, boat, aircraft, tractor, or farm machinery.

Subd. 12. **New.** "New" means a motor vehicle with a model year of 2013 or later and that is in the possession of a manufacturer, distributor, or wholesaler, or has been sold only to the holders of a valid sales and service agreement, franchise, or contract, granted by the manufacturer, distributor, or wholesaler for the sale of the motor vehicle and which is in fact new and on which the original title has not been issued from the franchised dealer.

Subd. 13. **Passenger car.** "Passenger car" means any motor vehicle designed primarily for transportation of persons and having a design capacity of 12 persons or less.

Sec. 3. [116.395] APPLICABILITY.

Sections 116.393 to 116.399 apply to all new motor vehicles sold, leased, offered for sale or lease, imported, delivered, purchased, rented, acquired, received, titled, or registered in the state starting with the 2013 model year and each model year thereafter.

Sec. 4. [116.396] EXEMPTIONS.

(a) The following motor vehicles are exempt from sections 116.393 to 116.399:

(1) a motor vehicle that is registered under section 168.10;

(2) a commercial motor vehicle, as defined in section 169.011, subdivision 16;

(3) an authorized emergency vehicle, as defined in section 169.011, subdivision 3;

(4) a motor vehicle transferred by a dealer to another dealer for ultimate sale outside of the state;

(5) a motor vehicle transferred for use exclusively off-highway;

(6) a motor vehicle transferred for registration out-of-state;

(7) a motor vehicle granted a national security or testing exemption under section 203(b)(1) of the Clean Air Act, United States Code, title 42, section 7522(b)(1);

(8) a motor vehicle held for daily lease or rental to the general public that is registered and principally operated outside of the state. For purposes of this clause, a motor vehicle is deemed to be principally operated outside of the state if it is registered outside of the state in accordance with the interjurisdictional agreement on apportioning vehicle registration fees developed under the Intermodal Surface Transportation and Efficiency Act of 1991, Public Law 102-240, Statutes at Large, volume 105, page 1914, and known as the International Registration Plan, or a successor plan for apportioning vehicle registration fees internationally;

(9) a motor vehicle engaged in interstate commerce that is registered and principally operated outside of the state;

(10) a motor vehicle acquired by a resident of the state for the purpose of replacing a vehicle registered to the resident that was damaged, or became inoperative, beyond reasonable repair or was stolen while out of state if the replacement vehicle is acquired out of state at the time the previously owned vehicle was either damaged or became inoperative or was stolen;

(11) a motor vehicle transferred by inheritance or court decree;

(12) a motor vehicle defined as a military tactical vehicle or engines used in military tactical vehicles including a vehicle or engine excluded from regulation under Code of Federal Regulations, title 40, section 85.1703, relating to section 216(2) of the Clean Air Act;

(13) a motor vehicle titled or registered in the state before model year 2013;

(14) a motor vehicle having a certificate of conformity issued under the Clean Air Act and originally registered in another state by a resident of that state who subsequently establishes residence in this state and upon registration of the vehicle provides satisfactory evidence to the Department of Public Safety of the previous residence and registration;

(15) a motor vehicle transferred for the purpose of salvage; and

(16) a motor vehicle sold from one licensed dealer to another licensed dealer.

(b) To title or register an exempt motor vehicle, the person seeking title or registration shall provide satisfactory evidence, as determined by the Department of Public Safety, demonstrating that the exemption is applicable.

Sec. 5. [116.397] ADMINISTRATION; POLLUTION CONTROL AGENCY.

Subdivision 1. Rules. (a) The Pollution Control Agency, in accordance with federal Clean Air Act requirements, shall adopt rules, as authorized under the federal Clean Air Act, United States Code, title 42, section 7507, to regulate emissions from new motor vehicles sold in the state. The rules:

(1) must be adopted under section 14.388, subdivision 1, clause (3);

(2) except as provided in clause (3), must incorporate by reference the low emission vehicle program;

(3) must not include the 15-year or 150,000-mile extended warranty specified in CCR, title 13, section 1962, for partial zero emission vehicles, provided that partial zero emission vehicles delivered for sale to Minnesota are equipped with the same quality components as partial zero emission vehicles supplied to areas where the full 15-year or 150,000-mile warranty remains in effect. This section does not amend the requirements of CCR, title 13, section 1962, that indicate the warranty period for a zero emission energy storage device used for traction power will be ten years;

(4) must not include any fuel standards set forth in CCR, section 2250, et seq.;

(5) must not require a reduction in vehicle weight, a reduction in the speed limit allowed on any street or highway in the state, a reduction in the amount of vehicle miles traveled, or a limitation or reduction of any vehicle category in the state, specifically including but not limited to sport-utility vehicles and light-duty trucks; and

(6) must be amended as necessary in a timely fashion to minimize the time during which Minnesota's rules are not consistent with the low-emission vehicle program, as required under United States Code, title 42, section 7507. Amendments under this clause must be made under section 14.388, subdivision 1, clause (3). Prior to considering adoption of an amendment under this clause, the commissioner must notify the governor, the commissioners of agriculture and commerce, the chairs and ranking minority members

of the senate and house of representatives committees with primary jurisdiction over agriculture policy, agriculture finance, commerce policy, commerce finance, environment policy, and environment finance of the commissioner's intention to adopt an amendment under this clause.

(b) The emission standards adopted under this section may not be extended to off-road vehicles or engines including, but not limited to, off-highway vehicles as defined in section 84.771, snowmobiles, boats, aircraft, lawn mowers, tractors, or farm machinery.

(c) Any portion of the low-emission vehicle program requiring a federal waiver under the Clean Air Act to become effective may not be enforced in Minnesota unless and until the requisite federal waiver is issued.

Subd. 2. **Report.** Beginning January 1, 2010, and each year thereafter, the commissioner must submit to the governor, the commissioners of agriculture and commerce, the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over agriculture policy, agriculture finance, commerce policy, commerce finance, environment policy, and environment finance a report of:

- (1) the information submitted by manufacturers under section 116.399; and
- (2) to the extent the information is available, for each of the 50 states:
 - (i) the number of E85 pumps operating in each state;
 - (ii) gross sales of E85 in each state; and
 - (iii) the market share of E85 as a proportion of total fuel purchased in each state for motor vehicle use.

Subd. 3. **Comment submission.** The commissioner shall submit comments to CARB on proposed or final-form rulemakings amending the low-emission vehicle program.

Sec. 6. [116.398] IMPLEMENTATION.

Subdivision 1. **Clean air requirement.** Starting with the model year 2013, a person may not sell, import, deliver, purchase, lease, rent, acquire, receive, title, or register a new motor vehicle subject to the Minnesota Clean Car Act in this state that does not comply with the low-emission vehicle program.

Subd. 2. **Compliance with fleetwide average requirements.** Starting with the model year 2013, compliance with the fleetwide average requirements in the low-emission vehicle program shall be demonstrated for each motor vehicle manufacturer based on the number of new motor vehicles delivered for sale in Minnesota.

6.1 Subd. 3. **Credits and debits.** Credits and debits for calculating the pollutants
6.2 regulated on a fleet average basis shall be based on the number of new motor vehicles
6.3 delivered for sale in Minnesota and may be accrued and utilized by each manufacturer
6.4 according to procedures in the low-emission vehicle program.

6.5 Subd. 4. **State-specific data.** In determining a manufacturer's compliance
6.6 with the fleetwide emissions standards for all pollutants regulated on a fleetwide
6.7 basis, the commissioner shall review only Minnesota-specific sales information and
6.8 Minnesota-specific E85 utilization rates.

6.9 **Sec. 7. [116.399] MANUFACTURER RESPONSIBILITIES.**

6.10 Subdivision 1. **Flexible fuel vehicle report.** Manufacturers shall provide annually
6.11 to the commissioner a list of the models of flexible fuel vehicles they offer for sale in
6.12 Minnesota, which of the flexible fuel vehicles they offer for sale that are engineered
6.13 for optimal performance when running on E85, which of the models are simply E85
6.14 compatible, and what percent of the total number of vehicles offered for sale in Minnesota
6.15 are flexible fuel vehicles.

6.16 Subd. 2. **Domestic supply report.** Manufacturers shall provide annually to the
6.17 commissioner a report indicating what percentage of steel used in motor vehicles delivered
6.18 for sale in Minnesota was produced in the United States. Manufacturers shall provide
6.19 annually to the commissioner a report indicating what percentage of motor vehicles
6.20 delivered for sale in Minnesota were manufactured in the United States.

6.21 Subd. 3. **Deliveries report.** For the purposes of determining compliance with the
6.22 Minnesota Clean Car Act, commencing with the 2013 model year, each manufacturer
6.23 shall submit annually to the commissioner, within 60 days of the end of each model year,
6.24 a report documenting the total deliveries for sale of motor vehicles in each test group
6.25 during that model year in the state.

6.26 Subd. 4. **Fleet average emissions report.** For purposes of determining compliance
6.27 with the Minnesota Clean Car Act, each motor vehicle manufacturer shall submit annually
6.28 to the commissioner by March 1 of the calendar year following the close of the completed
6.29 model year, a report of the fleet average emissions of its total deliveries for sale of motor
6.30 vehicles in each test group for Minnesota for that particular model year for each pollutant
6.31 regulated on a fleetwide basis. The fleet average report, calculating compliance with the
6.32 fleetwide exhaust emission averages, shall be prepared according to the procedures in the
6.33 low-emission vehicle program.

6.34 Subd. 5. **Fleet average report content.** Fleet average reports must, at a minimum,
6.35 identify the total number of vehicles, including offset vehicles, sold in each test group

delivered for sale in Minnesota, the specific vehicle models comprising the sales in Minnesota and the corresponding certification standards, and the percentage of each model sold in Minnesota in relation to total fleet sales.

Sec. 8. Minnesota Statutes 2008, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. **Contents.** The application for the first certificate of title of a vehicle in this state shall be made by the owner to the department on the form prescribed by the department and shall contain:

(1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, and whether new or used;

(3) the date of purchase by applicant, the name and address of the person from whom the vehicle was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(5) with respect to vehicles subject to section 325F.6641, whether the vehicle sustained damage by collision or other occurrence which exceeded 70 percent of the actual cash value; ~~and~~

(6) if required under section 116.396, paragraph (b), satisfactory evidence of an applicable exemption from sections 116.393 to 116.399; and

(7) any further information the department reasonably requires to identify the vehicle and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle.

Sec. 9. **RULE ADOPTION.**

The rules required under Minnesota Statutes, section 116.397, subdivision 1, must be adopted and made effective by September 30, 2009, and are effective for motor vehicles with a model year of 2013 and later.

Sec. 10. **EFFECTIVE DATE.**

Sections 1 to 9 are effective the day following final enactment.