A bill for an act
relating to transportation; establishing Motor Vehicle Feebate Task Force and program; appropriating funds from gifts and grants; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Section 1. **[168.0135] MOTOR VEHICLE FEEBATE.**

Subdivision 1. **Feebate program implementation.** (a) The commissioner shall implement a motor vehicle feebate program. In establishing and administering the program, the commissioner must follow all feebate program recommendations from the Motor Vehicle Feebate Task Force established in this section. The program must begin July 1, 2012.

(b) "Feebate" refers to the use of both fees and rebates.

Subd. 2. **Task force establishment; duties.** (a) A task force is established to assist the governor and the legislature in creation of a feebate system for motor vehicles. The task force shall analyze economic findings and models and evaluate policy options. By January 30, 2010, the task force must provide recommendations to the commissioner of public safety, and to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance and policy, to implement a program that imposes fees and provides rebates for motor vehicles based on the environmental impact of the vehicle.

(b) At a minimum, the program must:

(1) be revenue neutral over time, except that the task force may provide for (i) administrative costs for implementing and administering the program, (ii) a reserve fund

for unexpected contingencies, and (iii) methods that account for reductions in revenue from current sources of transportation funding attributable to the feebate program;

(2) identify which vehicles or classes of vehicles are included, which may exclude vehicles on the basis of type, classification, age, or other methods identified by the task force;

(3) identify a rate or rates at which fees or rebates accumulate, which may (i) be at different rates between fees and rebates, (ii) be at different rates for different classes of vehicles, or (iii) include caps on the maximum amount of fee or rebate;

(4) identify a pivot point for determining whether a fee or a rebate is required for each motor vehicle, which may include a category of vehicles for which neither a fee nor a rebate is imposed;

(5) determine a basis of measurement of environmental impact from each vehicle in the program, that prioritizes transparency to motorists and ease of program administration, and is based on (i) fuel efficiency of the vehicle, (ii) fuel consumption of the vehicle, (iii) an overall goal for reduction in greenhouse gas emissions from the transportation sector, or (iv) another measurement method identified by the task force;

(6) determine whether the feebate is administered upon the sale of a motor vehicle or annually at the time of motor vehicle registration, based on the method expected to be most effective in affecting consumer behavior and achieving reductions in the environmental impacts from motor vehicles;

(7) establish rates, fees, and rebates in amounts that are (i) financially reasonable for motorists, and (ii) sufficient to affect consumer behavior and achieve reductions in the environmental impacts from motor vehicles;

(8) provide a timeline for implementation;

(9) identify measurement and annual reporting requirements that assist in evaluation of program impacts and outcomes;

(10) be able to be fully implemented in Minnesota by July 1, 2012.

Subd. 3. **Task force membership.** (a) The task force consists of the following members:

(1) the commissioner of public safety, or the commissioner's designee;

(2) three persons appointed by the governor, of which at least one must be from a postsecondary academic institution with expertise in economics or transportation public policy;

(3) one member of the house of representatives appointed by the speaker of the house;

(4) two persons appointed by the speaker of the house, of which at least one must be from a postsecondary academic institution with expertise in economics or transportation public policy;

(5) one member of the senate appointed by the senate committee on rules and administration under the rules of the senate; and

(6) two persons appointed by the senate committee on rules and administration under the rules of the senate, of which at least one must be from a postsecondary academic institution with expertise in economics or transportation public policy.

(b) The appointments and designations authorized by this subdivision must be completed by August 1, 2009.

Subd. 4. **Task force staffing support.** Upon request of the task force, the commissioner of public safety must provide meeting space and administrative services. The commissioners of public safety and transportation shall provide information and other assistance as requested by the task force.

Subd. 5. **Task force administrative provisions.** (a) By August 15, 2009, the commissioner of public safety, or the commissioner's designee, must convene the initial meeting of the task force. The members of the task force must elect a chair or cochairs at the initial meeting.

(b) Public members of the task force serve without compensation or payment of expenses.

(c) The task force may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of public safety for purposes of the task force.

(d) The task force expires June 30, 2012.

Subd. 6. **Report.** Starting December 15, 2010, and annually thereafter, the commissioner shall submit a report on the motor vehicle feebate program to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance on the program, including (1) an analysis of the impacts and effectiveness of the program, and (2) any recommendations for changes.

EFFECTIVE DATE. This section is effective the day following final enactment.