

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2251

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Introduction and first reading
Referred to Environment and Natural Resources Policy and Legacy Finance

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to environment; encouraging low-emission and zero-emission school
1.3 buses; providing grants for emission reduction activities; providing for disposition
1.4 of certain settlement revenue; appropriating money; proposing coding for new law
1.5 in Minnesota Statutes, chapter 116.

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

1.7 Section 1. [116.083] LOW-EMISSION AND ZERO-EMISSION SCHOOL BUS
1.8 PROGRAM.

1.9 Subdivision 1. Definitions. For the purposes of this section, the following terms have
1.10 the meanings given:

1.11 (1) "diesel emissions reduction program" means the grant program administered by the
1.12 commissioner of the Pollution Control Agency pursuant to the federal Diesel Emissions
1.13 Reduction Act;

1.14 (2) "low-emission or zero-emission school bus" means a school bus designated as such
1.15 by the commissioner of the Pollution Control Agency and may include a propane-powered
1.16 bus, compressed natural gas-powered bus, and electric or electric-hybrid bus;

1.17 (3) "retrofit" means to modify an engine to reduce the emissions of a diesel-powered
1.18 school bus;

1.19 (4) "school" means a Minnesota school district or Minnesota charter school; and

1.20 (5) "school bus" means a type A, B, C, or D school bus under section 169.011, subdivision
1.21 71.

2.1 Subd. 2. **Grants to reduce diesel emissions.** (a) A school may apply to the commissioner
2.2 of the Pollution Control Agency for a grant to reduce its diesel emissions. The grant may
2.3 be used to retrofit or replace an existing diesel engine consistent with the diesel emissions
2.4 reduction program or to purchase a new school bus that is a low-emission or zero-emission
2.5 school bus. The commissioner may prioritize grants based on the expected reduction in
2.6 emissions.

2.7 (b) No school may receive a grant of more than \$100,000 per year under this subdivision.

2.8 Subd. 3. **Grants for electric school bus pilot project.** A school may apply to the
2.9 commissioner of the Pollution Control Agency for a grant to purchase an electric or
2.10 electric-hybrid school bus as part of a pilot project. The pilot project must include a plan to
2.11 evaluate the efficacy of an electric or electric-hybrid school bus. The commissioner may
2.12 award one pilot grant under this subdivision in an amount not to exceed \$500,000. A school
2.13 that receives a grant under this subdivision must prominently post its work plan and the
2.14 results of the pilot project on the school's Web site.

2.15 Subd. 4. **Disposition of settlement revenue.** (a) Notwithstanding section 16A.013 or
2.16 115A.06 or any other law to the contrary, the commissioner of the Pollution Control Agency
2.17 must deposit money received from the mitigation trust fund into an account in the special
2.18 revenue fund. For the purposes of this section, "mitigation trust fund" means the trust fund
2.19 that was created to fund proposals to mitigate pollution and established as partial settlement
2.20 for Clean Air Act violations in the Volkswagen Clean Air Act settlement case in the United
2.21 States District Court for the District of Northern California.

2.22 (b) \$2,000,000 each year is appropriated from the account under paragraph (a) to the
2.23 commissioner for grants under this section to reduce school bus diesel emissions.

2.24 (c) Any grants made under this section must be consistent with the terms of the mitigation
2.25 trust fund.

2.26 **EFFECTIVE DATE.** This section is effective the day after the trustee for the mitigation
2.27 trust fund has approved the state of Minnesota's proposed mitigation actions, found them
2.28 to be eligible for funds from the mitigation trust fund, and released the funds to the
2.29 commissioner of the Pollution Control Agency. The commissioner must notify the revisor
2.30 of statutes when funds are released.