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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **1254**

02/15/2017 Authored by Baker, Metsa, O'Neill, Rarick and Ecklund  
The bill was read for the first time and referred to the Committee on Education Innovation Policy  
02/27/2017 Adoption of Report: Amended and re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act  
1.2 relating to motor vehicles; providing rebates for propane school buses and fueling  
1.3 stations; establishing a rebate program with the Pollution Control Agency;  
1.4 proposing coding for new law in Minnesota Statutes, chapter 116.

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

1.6 Section 1. **[116.083] PROPANE SCHOOL BUS AND FUELING STATION REBATE**  
1.7 **PROGRAM.**

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

1.10 (1) "fueling station" means a station at a fixed location intended for use in fueling propane  
1.11 vehicles;

1.12 (2) "propane school bus" means a school bus fueled by propane and used by a school  
1.13 or under contract with the school to transport pupils to or from a school as defined in section  
1.14 120A.22 or to or from school-related activities;

1.15 (3) "school" means a Minnesota school district or Minnesota charter school; and

1.16 (4) "school bus" means a type A, B, C, or D school bus under section 169.011, subdivision  
1.17 71.

1.18 Subd. 2. **Rebate eligibility.** (a) Schools that purchase a propane school bus or purchase  
1.19 and install a fueling station are eligible for a rebate under this section. A school that contracts  
1.20 for pupil transportation may apply for a rebate on behalf of the school bus contractor.

1.21 (b) Propane school buses must be registered and licensed in Minnesota. Fueling stations  
1.22 must be located in Minnesota.

2.1 (c) The following expenses are eligible for a rebate:

2.2 (1) the cost of an original equipment manufacturer propane school bus purchased; and

2.3 (2) the cost of fueling station equipment, including construction and installation costs.

2.4 Subd. 3. **Rebate amounts.** Rebates under this section may be issued for:

2.5 (1) no more than 25 percent of the cost of a propane school bus, not to exceed \$25,000;

2.6 and

2.7 (2) no more than 50 percent of the cost of a fueling station, not to exceed \$50,000.

2.8 Subd. 4. **Maximum rebate allowed.** A school may receive no more than five propane  
2.9 school bus rebates per year. A school may receive one fueling station rebate.

2.10 Subd. 5. **Funding.** Notwithstanding section 16A.013 or 115A.06 to the contrary, the  
2.11 commissioner of the Pollution Control Agency must set aside \$1,500,000 each year in which  
2.12 the agency is authorized to approve grants to be funded by a mitigation trust established as  
2.13 a result of a settlement of litigation prosecuted against Volkswagen Aktiengesellschaft, in  
2.14 the Federal Court for the Northern District of California, more commonly known as the  
2.15 Volkswagen environmental mitigation settlement. Money set aside under this subdivision  
2.16 must be used to fund grants for rebates under this section. The grants must be awarded  
2.17 through a request for proposal process established by the commissioner and must comply  
2.18 with the settlement order.