



**AN ACT CONCERNING LOW SULFUR FUEL.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-81 of the general statutes, as amended by  
2 sections 156 and 157 of public act 01-132 and sections 17 and 83 of  
3 public act 01-6 of the June special session, is amended by adding  
4 subdivision (76) as follows (*Effective October 1, 2002*):

5 (NEW) (76) Gaseous fuels that possess a fuel sulfur limit of equal to  
6 or less than 0.3 per cent sulfur, by weight (dry basis) and diesel fuel  
7 with a sulfur content of 15 parts per million or less.

8 Sec. 2. Subsection (b) of section 12-587 of the general statutes, as  
9 amended by sections 20 and 67 of public act 01-6 of the June special  
10 session, is repealed and the following is substituted in lieu thereof  
11 (*Effective October 1, 2002*):

12 (b) (1) Except as otherwise provided in subdivision (2) of this  
13 subsection, any company which is engaged in the refining or  
14 distribution, or both, of petroleum products and which distributes  
15 such products in this state shall pay a quarterly tax on its gross  
16 earnings derived from the first sale of petroleum products within this  
17 state. Each company shall on or before the last day of the month next  
18 succeeding each quarterly period render to the commissioner a return  
19 on forms prescribed or furnished by the commissioner and signed by

20 the person performing the duties of treasurer or an authorized agent or  
21 officer, including the amount of gross earnings derived from the first  
22 sale of petroleum products within this state for the quarterly period  
23 and such other facts as the commissioner may require for the purpose  
24 of making any computation required by this chapter. Except as  
25 otherwise provided in subdivision (3) of this subsection, the rate of tax  
26 shall be five per cent.

27 (2) Gross earnings derived from the first sale of the following  
28 petroleum products within this state shall be exempt from tax: (A) Any  
29 petroleum products sold for exportation from this state for sale or use  
30 outside this state; (B) the product designated by the American Society  
31 for Testing and Materials as "Specification for Heating Oil D396-69",  
32 commonly known as number 2 heating oil, to be used exclusively for  
33 heating purposes or to be used in a commercial fishing vessel, which  
34 vessel qualifies for an exemption pursuant to section 12-412, as  
35 amended; (C) kerosene, commonly known as number 1 oil, to be used  
36 exclusively for heating purposes, provided delivery is of both number  
37 1 and number 2 oil, and via a truck with a metered delivery ticket to a  
38 residential dwelling or to a centrally metered system serving a group  
39 of residential dwellings; (D) the product identified as propane gas, to  
40 be used exclusively for heating purposes; (E) bunker fuel oil,  
41 intermediate fuel, marine diesel oil and marine gas oil to be used in  
42 any vessel having a displacement exceeding four thousand dead  
43 weight tons; (F) for any first sale occurring prior to January 1, 2000, or  
44 during the period commencing July 1, 2001, and ending June 30, 2002,  
45 propane gas to be used as a fuel for a motor vehicle; (G) for any first  
46 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as  
47 defined in regulations adopted pursuant to section 16a-22c, to be used  
48 exclusively by a company which, in accordance with census data  
49 contained in the Standard Industrial Classification Manual, United  
50 States Office of Management and Budget, 1987 edition, is included in  
51 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in  
52 the North American Industrial Classification System United States  
53 Manual, United States Office of Management and Budget, 1997 edition;

54 (H) for any first sale occurring on or after July 1, 2002, number 2  
55 heating oil to be used exclusively in a vessel primarily engaged in  
56 interstate commerce, which vessel qualifies for an exemption under  
57 section 12-412, as amended; [or] (I) for any first sale occurring on or  
58 after July 1, 2000, paraffin or microcrystalline waxes; or (I) gaseous  
59 fuels that possess a fuel sulfur limit of equal to or less than 0.3 per cent,  
60 by weight (dry basis) or diesel fuel with a sulfur content of 15 parts per  
61 million or less.

62 (3) The rate of tax on gross earnings derived from the first sale of  
63 grade number 6 fuel oil, as defined in regulations adopted pursuant to  
64 section 16a-22c, to be used exclusively by a company which, in  
65 accordance with census data contained in the Standard Industrial  
66 Classification Manual, United States Office of Management and  
67 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
68 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
69 Classification System United States Manual, United States Office of  
70 Management and Budget, 1997 edition, or number 2 heating oil used  
71 exclusively in a vessel primarily engaged in interstate commerce,  
72 which vessel qualifies for an exemption under section 12-412, as  
73 amended, shall be: (A) Four per cent with respect to calendar quarters  
74 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three  
75 per cent with respect to calendar quarters commencing on or after July  
76 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to  
77 calendar quarters commencing on or after July 1, 2000, and prior to  
78 July 1, 2001; and (D) one per cent with respect to calendar quarters  
79 commencing on or after July 1, 2001, and prior to July 1, 2002.

80 Sec. 3. Section 14-275 of the general statutes is repealed and the  
81 following is substituted in lieu thereof (*Effective October 1, 2002*):

82 (a) The term "school bus" means any motor bus painted,  
83 constructed, equipped and registered as hereinafter provided, which is  
84 regularly used for transporting school children to and from school or  
85 school activities whether or not for compensation or under contract to  
86 provide such service. No vehicle shall be registered as a school bus

87 unless it complies with all requirements of sections 14-275 to 14-281,  
88 inclusive, as to color, markings, equipment and inspection, and each  
89 such vehicle shall be inspected prior to such registration in accordance  
90 with regulations prescribed by the Commissioner of Motor Vehicles.  
91 The commissioner or the commissioner's designee may also conduct  
92 random, unannounced inspections of any registered school bus. The  
93 provisions of said sections requiring other vehicles to stop at the signal  
94 of the operator of a registered school bus shall not apply to a signal by  
95 the operator of any vehicle not registered as a school bus and not  
96 complying with all requirements for such registration.

97 (b) Each school bus shall be painted a uniform yellow color known  
98 as "National School Bus Glossy Yellow", except for the fenders and  
99 trim which may be painted black and the roof which may be painted  
100 white, and shall have conspicuously painted on the rear and on the  
101 front thereof, in black lettering of a size to be determined by the  
102 Commissioner of Motor Vehicles, the words "School Bus-Stop on  
103 Signal", except that each school bus equipped with an eight-light  
104 warning system shall have the words "School Bus" painted on the rear  
105 and on the front thereof in such lettering. The sides of such vehicles  
106 may be inscribed with the words "School Bus", the school name or such  
107 other legend or device as may be necessary for purposes of  
108 identification or safety.

109 (c) Each school bus shall be equipped with special automatic,  
110 electrically-operated flashing stop signals, which shall be independent  
111 and separate from the braking, stop and tail lights of standard  
112 equipment. Such flashing lights may include automatic traffic  
113 signalling devices showing red and amber lights and shall be so  
114 located that adequate warning will be afforded to both oncoming and  
115 overtaking traffic, except that each school bus manufactured on and  
116 after October 1, 1984, and registered for use in this state shall be  
117 equipped with an eight-light warning system, showing two red  
118 flashing stop signals and two amber flashing warning signals on the  
119 front and rear of the bus, and a stop semaphore. The commissioner  
120 may adopt standards for an eight-light warning system and standards

121 and specifications for the construction of school buses and for  
122 equipment to be maintained on school buses consistent with the  
123 provisions of sections 14-275 to 14-281, inclusive. Both public and  
124 private owners of school buses shall maintain a record of such kinds of  
125 repairs made to such buses as the commissioner may require and such  
126 work record shall be available at all times to the commissioner and the  
127 commissioner's designated assistants. All such maintenance records  
128 shall be retained for a period of two years. Each school bus shall be  
129 equipped with emergency lighting equipment as provided by section  
130 14-97a, with a defrosting device as provided by section 14-97, with a  
131 system of mirrors as provided in the Code of Federal Regulations Title  
132 49, Section 571.111, as amended, or with an outside mirror as provided  
133 by section 14-99 and a system of crossover mirrors designed and  
134 mounted so as to give the driver a view of the road from the front  
135 bumper forward to a point where direct observation is possible and  
136 along the left and right sides of the bus, with a signalling device as  
137 provided by section 14-101, and with chain nonskid devices for  
138 immediate use on at least one outside or inside rear tire on each side or  
139 tires designed to prevent skidding on all rear wheels when weather  
140 and highway conditions require such use. Commencing February 1,  
141 1974, each new school bus with a vehicle air brake system shall be so  
142 equipped that the brake system is operated from a separate air  
143 reservoir tank other than the air reservoir tank used to operate any  
144 other compressed air or vacuum operated devices with which the  
145 school bus may be equipped. The seating requirements of section 14-  
146 273 shall be observed. Notwithstanding the provisions of section 14-98,  
147 school buses may be equipped with tires incorporating a metal  
148 nonskid device during the period from October fifteenth to April  
149 thirtieth, inclusive.

150 (d) Notwithstanding the provisions of section 14-164c, as amended,  
151 (1) any new school bus purchased on or after January 1, 2003, shall be  
152 equipped with particle traps and catalytic converters and shall be  
153 powered by diesel fuel with a sulfur content of no more than 30 parts  
154 per million, and (2) on or after January 1, 2004, each school bus shall be

155 equipped with particle traps and catalytic converters and shall be  
156 powered by diesel fuel with a sulfur content of no more than 30 parts  
157 per million.

158 [(d)] (e) Any person who violates any provision of this section shall,  
159 for a first offense, be deemed to have committed an infraction, and for  
160 each subsequent offense shall be fined not less than one hundred  
161 dollars nor more than five hundred dollars.

162 Sec. 4. Subsection (a) of section 16-245l of the general statutes is  
163 repealed and the following is substituted in lieu thereof (*Effective*  
164 *October 1, 2002*):

165 (a) The Department of Public Utility Control shall establish and each  
166 electric distribution company shall collect a systems benefits charge to  
167 be imposed against all end use customers of each electric distribution  
168 company beginning January 1, 2000. The department shall hold a  
169 hearing that shall be conducted as a contested case in accordance with  
170 chapter 54 to establish the amount of the systems benefits charge. The  
171 department may revise the systems benefits charge or any element of  
172 said charge as the need arises. The systems benefits charge shall be  
173 used to fund (1) the expenses of the public education outreach  
174 program developed under subsection (a) of section 16-244d other than  
175 expenses for department staff, (2) the reasonable and proper expenses  
176 of the education outreach consultant pursuant to subsection (d) of  
177 section 16-244d, as amended, (3) the cost of hardship protection  
178 measures under sections 16-262c and 16-262d and other hardship  
179 protections, including but not limited to, electric service bill payment  
180 programs, funding and technical support for energy assistance, fuel  
181 bank and weatherization programs and weatherization services, (4) the  
182 payment program to offset tax losses described in section 12-94d, as  
183 amended, (5) any sums paid to a resource recovery authority pursuant  
184 to subsection (b) of section 16-243e, (6) low income conservation  
185 programs approved by the Department of Public Utility Control, (7)  
186 displaced worker protection costs, (8) unfunded storage and disposal  
187 costs for spent nuclear fuel generated before January 1, 2000, approved

188 by the appropriate regulatory agencies, (9) postretirement safe  
189 shutdown and site protection costs that are incurred in preparation for  
190 decommissioning, (10) decommissioning fund contributions, and (11)  
191 legal, appraisal and purchase costs of a conservation or land use  
192 restriction and other related costs as the department in its discretion  
193 deems appropriate, incurred by a municipality on or before January 1,  
194 2000, to ensure the environmental, recreational and scenic preservation  
195 of any reservoir located within this state created by a pump storage  
196 hydroelectric generating facility. As used in this subsection, "displaced  
197 worker protection costs" means the reasonable costs incurred, prior to  
198 January 1, [2006] 2008, by an electric supplier, exempt wholesale  
199 generator, electric company or a generation entity or affiliate arising  
200 from the dislocation of any employee other than an officer, provided  
201 such dislocation is a result of (1) restructuring of the electric generation  
202 market and such dislocation occurs on or after July 1, 1998, or (2) the  
203 closing of a Title IV source or an exempt wholesale generator, as  
204 defined in 15 USC 79z-5a, on or after January 1, 2004, as a result of  
205 such source's failure to meet requirements imposed in subsection (b) of  
206 section 12-587, as amended by this act; and provided further such costs  
207 result from either the execution of agreements reached through  
208 collective bargaining for union employees or from the company's or  
209 entity's or affiliate's programs and policies for nonunion employees.  
210 "Displaced worker protection costs" includes costs incurred or  
211 projected for severance, retraining, early retirement, outplacement and  
212 related expenses. "Displaced worker protection costs" does not include  
213 those costs included in determining a tax credit pursuant to section 12-  
214 217bb.

215 Sec. 5. (NEW) (*Effective October 1, 2002*) (a) Each Title IV source or  
216 exempt wholesale generator shall maintain and update regularly a  
217 roster of employees terminated as a direct result of the failure of such  
218 Title IV source or exempt wholesale generator to meet requirements  
219 imposed in subsection (b) of section 12-587 of the general statutes, as  
220 amended by this act. Such roster shall include each such employee's  
221 name, address, job title and job description at the time of termination.

222 At the time of termination, the employer shall ask the employee if the  
223 employee wants to be included in the roster. After obtaining  
224 permission of each such employee, the company shall provide the  
225 Department of Public Utility Control with a copy of the roster. In no  
226 event shall the information concerning any employee be added to the  
227 roster without the permission of the employee.

228 (b) The Department of Public Utility Control shall forward the  
229 roster to each electric company, electric distribution company,  
230 generation entity or affiliate and electric supplier, as defined in section  
231 16-1 of the general statutes, as amended.

232 (c) The Department of Public Utility Control shall forward to each  
233 employee whose name appears on a roster submitted pursuant to  
234 subsection (a) of this section a list containing the name and business  
235 address of each electric supplier.

236 Sec. 6. (NEW) (*Effective October 1, 2002*) (a) On and after July 1, 2004,  
237 there shall be allowed a credit against the tax imposed under chapter  
238 208 of the general statutes on any electric supplier or electric  
239 distribution company in an amount as provided in subsection (b) of  
240 this section with respect to each displaced worker hired by such  
241 electric supplier or electric distribution company.

242 (b) The amount of the credit shall be one thousand five hundred  
243 dollars with respect to each displaced worker and shall be allowed in  
244 the income year in which such displaced worker first completes six full  
245 months of full-time employment with the taxpayer.

246 (c) The amount of credit allowed any taxpayer under this section for  
247 any income year shall not exceed the amount of tax due from such  
248 taxpayer under chapter 208 of the general statutes with respect to such  
249 income year. The credit allowed under this section shall be taken only  
250 once with respect to any displaced worker.

251 (d) For the purposes of this section, "displaced worker" means any  
252 Connecticut employee, other than an officer or director, who has been

253 terminated from a Title IV source or an exempt wholesale generator as  
254 a direct result of the failure of such Title IV source or exempt  
255 wholesale generator to meet the requirements imposed in subsection  
256 (b) of section 12-587 of the general statutes, as amended by this act.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002</i>
Sec. 2	<i>October 1, 2002</i>
Sec. 3	<i>October 1, 2002</i>
Sec. 4	<i>October 1, 2002</i>
Sec. 5	<i>October 1, 2002</i>
Sec. 6	<i>October 1, 2002</i>

**ENV**

*Joint Favorable Subst. C/R*

**FIN**