



# Senate

General Assembly

**File No. 386**

*January Session, 2007*

Substitute Senate Bill No. 1032

*Senate, April 10, 2007*

The Committee on Environment reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT REDUCING DIESEL EMISSIONS IN SCHOOL BUS CABINS.***

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

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) As used in sections 1 to 4,  
2 inclusive, of this act:

3 (1) "Closed crankcase filtration system" means a system that  
4 separates oil and other contaminants from the blow-by gases and  
5 routes the blow-by gases into a diesel engine's intake system  
6 downstream of the air filter;

7 (2) "Emergency contingency vehicle" means a bus placed in an  
8 inactive contingency fleet for local emergencies, after the bus has  
9 reached the end of its normal minimum useful life;

10 (3) "Full-sized school bus" means a school bus, as defined in section  
11 14-275 of the general statutes, which is a Type I diesel school bus,  
12 including spare buses operated by or under contract to a school  
13 district, but not including emergency contingency vehicles or low

14 usage vehicles;

15 (4) "Low usage vehicle" means a bus that operates for not more than  
16 one thousand miles per year;

17 (5) "Model year 2007 emission standards" means engine emission  
18 standards promulgated by the federal Environmental Protection  
19 Agency in 40 CFR Parts 69, 80 and 86;

20 (6) "Ultra low sulfur diesel fuel" means diesel fuel used by an on-  
21 road engine that meets the requirements for sulfur content set forth in  
22 40 CFR 80;

23 (7) "Verified emissions control device" means a device that has been  
24 verified by the federal Environmental Protection Agency or the  
25 California Air Resources Board to reduce particulate matter emissions  
26 by a given amount;

27 (8) "Level 1 device" means a verified emissions control device that  
28 achieves greater than or equal to twenty-five per cent, but less than  
29 fifty per cent, particulate matter reduction;

30 (9) "Level 2 device" means a verified emissions control device that  
31 achieves greater than or equal to fifty per cent, but less than eighty-five  
32 per cent, particulate matter reduction; and

33 (10) "Level 3 device" means a verified emissions control device that  
34 achieves greater than or equal to eighty-five per cent, particulate  
35 matter reduction or a particulate matter emission standard of 0.01  
36 grams per brake horsepower-hour.

37 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) If the procurement contracts  
38 developed pursuant to subsection (b) of this section establish price  
39 levels for closed crankcase filtration systems and level 1 devices, level  
40 2 devices and level 3 devices equivalent to or less than the grant  
41 amounts for the emissions control devices and the installation of such  
42 devices specified in subsection (a) of section 4 of this act, not later than  
43 September 1, 2010, each full-sized school bus with an engine model

44 year of 1994 or later transporting children in the state shall: (1) Be  
45 equipped with a closed crankcase filtration system and either a level 1,  
46 level 2 or level 3 device, or, if the bus has an engine model year of 2003  
47 to 2006, inclusive, has not been retrofit with a level 1 device or level 2  
48 device prior to July 1, 2007, and is capable of operating normally with  
49 a level 3 device, be equipped with a closed crankcase filtration system  
50 and a level 3 device, (2) be equipped with an engine certified by the  
51 federal Environmental Protection Agency to meet model year 2007  
52 emission standards, or (3) use compressed natural gas or other  
53 alternative fuel certified by the federal Environmental Protection  
54 Agency or the California Air Resources Board to reduce particulate  
55 matter emissions by not less than eighty-five per cent compared to  
56 ultra-low sulfur diesel fuel.

57 (b) The Commissioner of Administrative Services, in consultation  
58 with the Commissioner of Environmental Protection, shall develop  
59 procurement contracts, in accordance with chapter 58 of the general  
60 statutes, for (1) level 1, level 2 and level 3 devices, and (2) closed  
61 crankcase filtration systems, including the installation and warranty of  
62 such systems and such devices. Said procurement contracts shall be  
63 made available to state agencies and political subdivisions of the state  
64 contracting portal section of the Department of Administrative  
65 Services' Internet web site.

66 Sec. 3. (NEW) (*Effective July 1, 2007*) There is established the "school  
67 bus emissions reduction account", which shall be a separate,  
68 nonlapsing account within the General Fund. Penalties paid pursuant  
69 to section 4 of this act shall be deposited into the account. The account  
70 may contain any moneys required by law to be deposited in the  
71 account.

72 Sec. 4. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of  
73 Environmental Protection, in consultation with the Commissioner of  
74 Education, shall establish a school bus emissions reduction program.  
75 Such program shall be established regardless of the price levels  
76 established by the procurement contracts developed pursuant to

77 subsection (b) of section 2 of this act. Through the program, the  
78 Commissioner of Environmental Protection shall:

79 (1) Make grants with funds from the school bus emissions reduction  
80 account, established pursuant to section 3 of this act, to municipalities  
81 and local and regional school boards to reimburse them for the cost of  
82 retrofitting full-sized school buses that are projected to be in service on  
83 or after September 1, 2010, as follows: (A) Not to exceed five thousand  
84 dollars for each bus with an engine model year between 2003 to 2006,  
85 inclusive, that has been equipped with a closed crankcase filtration  
86 system and a level 3 device; (B) not to exceed two thousand five  
87 hundred dollars for each bus that has been equipped with a closed  
88 crankcase filtration system and a level 2 device; and (C) not to exceed  
89 one thousand two hundred fifty dollars for each bus that has been  
90 equipped with a closed crankcase filtration system and a level 1  
91 device. In the event the procurement contracts developed pursuant to  
92 section 2 of this act fail to establish price levels for closed crankcase  
93 filtration systems and level 1, level 2 and level 3 devices, municipalities  
94 or local and regional boards of education may opt to retrofit their full-  
95 sized school buses and be eligible to receive the grants established in  
96 this section;

97 (2) Develop an outreach plan and materials for educating and  
98 notifying municipalities, local and regional boards of education and  
99 bus companies about the requirements of section 2 of this act; and

100 (3) Assist municipalities and local and regional boards of education  
101 and bus companies to retrofit their full-sized school buses.

102 (b) To receive a reimbursement pursuant to this section, a  
103 municipality or local or regional board of education shall submit a  
104 form prescribed by the commissioner to the Department of  
105 Environmental Protection, which shall contain: (1) The school bus  
106 model and year, engine model and year, vehicle identification number  
107 and date installed for each eligible retrofitted bus, (2) for an eligible  
108 bus retrofit with a level 3 device, a certification that the bus will  
109 operate in the state for not less than four years after the date of

110 installation of the emission control devices, and (3) a receipt for the  
111 purchase of the emission control devices and their installation.

112 (c) The commissioner shall not use more than three per cent of the  
113 funds provided in the school bus emissions reduction account  
114 established in section 3 of this act for the administration of the  
115 program established under this section.

116 (d) Any municipality or local or regional board of education who  
117 makes a false statement in an application pursuant to this section shall  
118 pay a civil penalty of not more than one thousand dollars for each  
119 offense. Each violation shall be a separate and distinct offense. The  
120 Attorney General, upon complaint of the commissioner, shall institute  
121 an action in superior court for the judicial district of Hartford to  
122 recover such penalty. The department shall deposit penalties collected  
123 pursuant to this section into the school bus diesel account established  
124 pursuant to section 3 of this act.

125 Sec. 5. Section 14-26 of the general statutes is repealed and the  
126 following is substituted in lieu thereof (*Effective July 1, 2007*):

127 (a) Each owner or lessee of a motor bus, service bus, taxicab, school  
128 bus or motor vehicle in livery service shall file in the office of the  
129 commissioner a special application, containing his name, residence  
130 and post-office address and a description of the motor vehicle owned  
131 or leased by him, which shall include the name of the maker and such  
132 other information as the commissioner may require. The commissioner  
133 may register such motor vehicle as a motor bus or as a service bus or as  
134 a taxicab or as a school bus or as a motor vehicle in livery service or as  
135 a school bus used in part in livery service; but no such registration  
136 shall be issued to the owner or lessee of any such motor vehicle unless  
137 it is in suitable condition for carrying passengers and is equipped as  
138 required by law. The registration number and certificate of registration  
139 of each such vehicle shall be special, and such certificate of registration  
140 shall contain such information as the commissioner may require. No  
141 registration shall be issued to the owner or lessee of a motor bus who  
142 has not obtained a certificate of public convenience and necessity from

143 the Department of Transportation, in accordance with the provisions  
144 of section 13b-80. No registration shall be issued to the owner or lessee  
145 of a taxicab who has not obtained a certificate of public convenience  
146 and necessity from the Department of Transportation in accordance  
147 with the provisions of section 13b-97. No such vehicle shall be  
148 registered unless the owner thereof has complied with the provisions  
149 of section 14-29, and no such vehicle shall be operated upon any  
150 highway without first being registered in accordance with the  
151 provisions of section 14-49. The commissioner may issue, to an  
152 applicant for registration of more than one motor bus, a certificate or  
153 certificates of registration containing a general distinguishing number  
154 and mark assigned to such applicant upon application to him therefor,  
155 which application shall be made in such form and contain such  
156 information as the commissioner may determine. Each motor bus  
157 included in such registration shall be regarded as registered under and  
158 having assigned to it such general distinguishing number and mark.  
159 The commissioner may impose upon the issuance and use of each such  
160 general registration such conditions, limitations and restrictions as he  
161 may determine. Such motor bus owners shall not be required to carry  
162 such certificates upon the vehicles registered under the provisions of  
163 this section, but shall keep a record of each person operating any  
164 motor bus so registered in sufficient detail to promptly identify such  
165 person at any specified time, which record shall be subject to the  
166 inspection of any officer designated by the commissioner. If any such  
167 registrant fails to keep such record or to produce it for inspection as  
168 hereinbefore provided, such failure shall be sufficient cause for the  
169 commissioner to cancel or suspend such registration. The  
170 commissioner may require of such registrant a bond satisfactory to  
171 him in an amount not to exceed ten thousand dollars, conditioned  
172 upon compliance with the laws of the state and the regulations of the  
173 commissioner concerning the use of such registration, number and  
174 mark, or otherwise conditioned as he may direct, which bond shall be  
175 forfeited for any violation of the conditions thereof. The commissioner  
176 may issue to the holder of any such general motor bus or interstate  
177 registration one or more registrations and number plates for motor

178 vehicles in livery service which may be used interchangeably with  
 179 such motor bus or interstate registration in accordance with such  
 180 conditions and regulations as he may impose, provided the number of  
 181 interstate registrations and number plates issued shall not exceed the  
 182 number of intrastate registrations and number plates authorized by the  
 183 Department of Transportation.

184 (b) The certificate of registration of a motor bus, service bus, taxicab,  
 185 school bus and motor vehicle in livery service shall, at all times, be  
 186 carried upon such motor vehicle and shall be subject to examination  
 187 upon demand by any person authorized by law.

188 (c) On or after September 1, 2010, in order to obtain a certificate of  
 189 registration pursuant to this section, the owner or lessee of a school  
 190 bus shall submit to the commissioner documentation of compliance  
 191 with the emissions control requirements set forth in section 2 of this  
 192 act.

193 ~~[(c)]~~ (d) Any person who violates any provision of this section shall  
 194 have committed an infraction. Any person who violates any provision  
 195 of subsection (b) of this section shall be fined, for the first offense,  
 196 thirty-five dollars and, for each subsequent offense, not less than  
 197 thirty-five dollars nor more than fifty dollars.

198 Sec. 6. *(Effective from passage)* The sum of eleven million dollars is  
 199 appropriated to the school bus emissions reduction account  
 200 established pursuant to section 3 of this act, from the General Fund  
 201 surplus, for the fiscal year ending June 30, 2007, for the purposes  
 202 specified in sections 2 and 4 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section
Sec. 2	July 1, 2007	New section
Sec. 3	July 1, 2007	New section
Sec. 4	July 1, 2007	New section
Sec. 5	July 1, 2007	14-26

Sec. 6	<i>from passage</i>	New section
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**ENV**      *Joint Favorable Subst.*



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 08 \$</b>	<b>FY 09 \$</b>
Department of Environmental Protection	GF - Cost	See Below	See Below
Dept. of Administrative Services	GF - Cost	None	None

Note: GF=General Fund

#### **Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 08 \$</b>	<b>FY 09 \$</b>
Various Municipalities	Revenue Impact	See Below	See Below
Various Municipalities	Cost	Potential	Potential

#### **Explanation**

The bill appropriates \$11 million dollars to the school bus emissions reduction account from General Fund surplus for the fiscal year ending June 30, 2007 for the school bus emissions reduction program. The appropriation will reduce the current year surplus by \$11 million dollars. It should be noted that this legislation does not provide that the funding will carry forward into FY 2008.

The bill provides that the Department of Environmental Protection (DEP) can use up to 3% to cover administrative costs of implementing this emissions reduction program. This equates to \$330,000 to enable DEP to administer the program including outreach and assistance. It is unclear at this time if this will cover all of the departments associated costs.

Should the \$11 million appropriated to the school bus emissions reduction account be insufficient to provide for school buses to meet the reduced diesel emissions requirements of the bill there is a potential cost to local and regional school districts. This potential cost

would in part be reimbursable under the school transportation grant however that account has been capped in recent years and districts may not be fully reimbursed for those added costs.

The Department of Administrative Services (DAS), in consultation with DEP, is required to develop procurement contracts for certain verified emissions control devices and closed crankcase filtration systems. These procurement contracts must be made available to state agencies and municipalities through the DAS web site. This requirement can be handled within the normal budgetary resources of the agency.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 1032*****AN ACT REDUCING DIESEL EMISSIONS IN SCHOOL BUS CABINS.*****SUMMARY:**

This bill (1) requires towns and school boards to retrofit school buses with emissions-reducing equipment by September 1, 2010, as long as the work can be done according to the terms of an \$11 million grant program the bill creates to reimburse them for their costs and (2) bars school bus owners and lessees from registering a school bus unless it is so equipped, starting September 1, 2010.

The bill makes the retrofitting and registration requirements contingent on whether the state can contract to buy, install, and warranty the equipment for less than the grant amounts the bill establishes. However, the Department of Environmental Protection (DEP) commissioner must reimburse towns and school boards that retrofit their buses voluntarily, even if the state contracts do not cover all their costs. DEP must also develop an outreach plan to educate municipalities, school boards, and bus companies about the emission and procurement contract requirements and help them retrofit their buses.

The \$11 million appropriation is to be funded by the FY 07 General Fund surplus.

EFFECTIVE DATE: July 1, 2007, except for the appropriations provision, which takes effect upon passage.

**POLLUTION REDUCING EQUIPMENT AND REQUIREMENT**

The bill requires retrofitting certain full-sized school buses with (1)

closed crankcase filtration systems and (2) level 1, level 2, or level 3 devices. Under the bill, level 1, level 2, and level 3 devices reduce particulate matter (soot) emissions by 25% to 49%, 50% to 84 %, and at least 85%, respectively. Alternatively, a level 3 device must achieve a soot emission standard of 0.01 grams per brake horsepower-hour.

The bill requires, by September 1, 2010, that full-sized school buses transporting children meet one of four standards, depending on the bus' model year, fuel type, or emissions level. Under the bill:

1. a bus with an engine model year of 1994 or later must have a closed crankcase filtration system and either a level 1, level 2 or level 3 device or
2. a bus with an engine model year of 2003 to 2006 must have a closed crankcase filtration system and a level 3 device, if it (a) has not been retrofit with a level 1 or level 2 device before July 1, 2007 and (b) is capable of operating normally with a level 3 device.

Alternatively, a bus must meet U.S. Environmental Protection Agency (EPA) engine model year 2007 emissions standards, or use compressed natural gas or another alternative fuel certified either by EPA or the California Air Resources Board to reduce soot emissions by at least 85% compared to ultra low sulfur diesel fuel.

### **Grant Levels**

However, these requirements take only effect if procurement contracts the Department of Administrative Services (DAS) commissioner develops, after consulting with the DEP commissioner, set the price to buy, install, and warranty the equipment at a cost equal to or less than the following grant amounts.

Under the bill, the DEP commissioner, in consultation with the education commissioner, must reimburse towns and school boards (1) up to \$5,000 for each 2003-2006 model year bus equipped with a filtration system and a level 3 device; (2) up to \$2,500 for each bus

equipped with a filtration system and level 2 device; and (3) up to \$1,250 for each bus equipped with a filtration system and level 1 device. To be eligible for these grants, a bus must be expected to be in operation on or after September 1, 2010.

The DAS commissioner must make the contracts available to state agencies and state political subdivisions on the contracting portal section of the DAS website.

### **EMISSION REDUCTION ACCOUNT AND GRANT APPLICATIONS**

The bill creates the school bus emissions reduction account as a separate, nonlapsing account in the General Fund to hold any money the law requires, including penalties the bill establishes. It requires the DEP commissioner to reimburse towns and school boards that choose to retrofit their buses, regardless of whether the grant amounts are less than the amounts of the procurement contracts. In such a case, however, retrofitting the buses is optional, not mandatory.

Towns and school boards seeking reimbursement under the grant program must submit a form the commissioner prescribes, containing:

1. the school bus model and year,
2. the engine model and year,
3. the vehicle identification number,
4. the date of the retrofit, and
5. a receipt for the purchase and installation of the equipment.

In addition, applicants must certify that buses equipped with a level 3 device will operate in the state for at least four years after the device's installation.

Towns or school boards that falsify an application must pay a fine of up to \$1,000 for each offense. Each violation is a separate and distinct offense. The attorney general must bring an action in Hartford

Superior Court upon the commissioner's complaint. DEP must deposit any fines it collects in the account the bill creates.

**SCHOOL BUS REGISTRATION**

Starting September 1, 2010, a school bus owner or lessee cannot register a bus unless he provides the Department of Motor Vehicles commissioner with proof that it is equipped with the filtration system and devices the bill requires. As under existing law, a violation of this provision is an infraction. But this requirement does not take effect if the procurement contract establishes prices levels greater than the grant amounts the bill sets.

**OUTREACH PLAN AND ASSISTANCE**

The DEP commissioner must (1) develop an outreach plan and material to educate and notify municipalities, school boards, and bus companies about the emissions requirements and procurement contracts and (2) help them retrofit the buses. The commissioner can use up to 3% of funds in the account to administer the program.

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 29 Nay 0 (03/21/2007)