



Senate

General Assembly

File No. 27

February Session, 2008

Substitute Senate Bill No. 433

Senate, March 13, 2008

The Committee on Environment reported through SEN. MEYER of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CREATING A DIESEL EMISSIONS REDUCTION GRANT PROGRAM.

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

1 Section 1. (NEW) (*Effective July 1, 2008*) (a) The Department of
2 Environmental Protection shall establish and administer an early
3 action diesel emissions reduction grant program to provide funding to
4 owners of off-road diesel powered construction equipment that is used
5 on state transportation or municipal projects. Such funding shall be
6 used to retrofit, repower or rebuild such equipment in order to reduce
7 diesel particulate matter. Appropriate retrofitting technologies include
8 retrofitting engines that have a model year prior to 1996 with new
9 engine systems certified to meet Tier 1 emissions limits established by
10 the Environmental Protection Agency, or adding diesel particulate
11 filters to equipment with engines with a model year of 1996 or later.

12 (b) To apply for a grant, owners of equipment described in
13 subsection (a) of this section shall submit a grant application on forms
14 prescribed by the Commissioner of Environmental Protection. The

15 commissioner may reject any grant application that the commissioner
16 determines to be incomplete. If the commissioner rejects an
17 application, the commissioner shall promptly notify the applicant of
18 the reasons for the rejection and, not later than fifteen days after the
19 date of such notice, such applicant may resubmit the application in the
20 same manner as the original application.

21 (c) The Department of Environmental Protection shall, in
22 consultation with the Departments of Public Works and
23 Transportation, develop guidelines specifying (1) which technologies
24 qualify for a grant, (2) the procedures for the award of a grant, (3) a
25 method to prioritize applications, and (4) a formula that takes into
26 account the size of the contractor in order to achieve equal funding for
27 all sizes of applicants.

28 (d) There is established an account to be known as the "diesel
29 emissions reduction account" which shall be a separate, nonlapsing
30 account within the General Fund. The account shall contain any
31 moneys required by law to be deposited in the account. Moneys in the
32 account shall be expended by the Department of Environmental
33 Protection for the purposes specified in this section.

34 (e) Not later than February 1, 2009, and annually thereafter, the
35 Department of Environmental Protection shall report, in accordance
36 with the provisions of section 11-4a of the general statutes to the joint
37 standing committee of the General Assembly having cognizance of
38 matters relating to the environment concerning the status of the early
39 action diesel emissions reduction grant program.

40 Sec. 2. (*Effective July 1, 2008*) The sum of twenty million dollars is
41 appropriated to the diesel emissions reduction account, from the
42 General Fund, for the fiscal year ending June 30, 2009, for the early
43 action diesel emissions reduction program created under section 1 of
44 this act.

45 Sec. 3. (*Effective July 1, 2009*) The sum of twenty million dollars is
46 appropriated to the diesel emissions reduction account, from the

47 General Fund, for the fiscal year ending June 30, 2010, for the early
48 action diesel emissions reduction program created under section 1 of
49 this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>July 1, 2008</i>	New section
Sec. 3	<i>July 1, 2009</i>	New section

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:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Department of Environmental Protection	GF - Cost	20,048,533	20,049,989

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill creates a “diesel emissions reduction account” as a separate, non-lapsing account within the General Fund. The bill also appropriates \$20.0 million in FY 09 and FY 10 from the General Fund for administration by the Department of Environmental Protection (DEP) of an early action diesel emissions reduction grant program. Funds would be provided to retrofit, repower, or rebuild certain equipment used on municipal or state transportation projects to reduce diesel particulate matter.

An Environmental Analyst II position would be required for DEP to administer the program, at a cost of \$48,533 plus fringe benefits¹ in FY 09 and a cost of \$49,989 plus fringe benefits¹, in FY 10. An Environmental Analyst performs technical review and analysis of environmental program data, develops recommendations on courses of action and assists with the implementation of policy and program decisions.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The first year fringe benefit costs for new positions do not include pension costs. The estimated first year fringe benefit rate as a percentage of payroll is 25.36%. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS fringe benefit rate is 33.27%, which when combined with the rate for non-pension fringe benefits totals 58.63%.

The Out Years

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

OLR Bill Analysis**sSB 433*****AN ACT CREATING A DIESEL EMISSIONS REDUCTION GRANT PROGRAM.*****SUMMARY:**

This bill requires the Department of Environmental Protection (DEP) to provide grants to owners of off-road diesel construction equipment used on state transportation and municipal projects to upgrade the equipment so that it reduces particulate matter (soot) emissions. It (1) requires DEP to consult with the Transportation and Public Works departments to develop grant guidelines, (2) establishes a diesel emissions reduction account, and (3) authorizes \$20 million for the grant program in FY 09 and \$20 million in FY 10.

EFFECTIVE DATE: July 1, 2008, except the appropriation for FY 10 takes effect July 1, 2009.

DIESEL EMISSIONS REDUCTION PROGRAM

Funds from the “early action diesel emissions reduction grant program” the bill creates must be used to retrofit, re-power, or rebuild off-road diesel equipment. Appropriate technology includes retrofitting engines with a 1995 or earlier model year with new engine systems certified to meet U.S. Environmental Protection Agency (EPA) Tier I emissions limits, and adding particulate matter filters to engines with a 1996 model year or later.

The bill requires DEP, after consulting with the Public Works and Transportation departments, to develop guidelines specifying (1) which technologies qualify for a grant, (2) the procedures for awarding the grant, (3) a method to rank applications, and (4) a formula that considers each contractor’s size to achieve equal funding for all applicants. It is not clear whether this means applicants of varying

sizes are to receive the same grant amounts, or whether funding amounts may vary according to the applicant's size.

Grant applications must be made on a DEP form. The commissioner may reject applications she deems incomplete. She must promptly notify applicants of the reasons for rejection. The applicant has 15 days after receiving such notice to resubmit the application.

The bill establishes a diesel emissions reduction account as a separate, nonlapsing General Fund account that must contain any money the law requires. It appropriates \$20 million in FY 09 and \$20 million in FY 10 for the program from the General Fund. DEP must spend the money for the bill's purposes.

The bill requires DEP to report to the Environment Committee on the program's status by February 1, 2009, and each year thereafter.

BACKGROUND

Tier I Emission Standards

In 1994, EPA adopted Tier 1 emission standards for all new non-road diesel engines greater than 50 horsepower (except those used in locomotives and marine vessels). According to EPA, Tier 1 standards were phased in for different engine sizes between 1996 and 2000, reducing nitrogen oxide emissions from these engines by 30%.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 28 Nay 0 (02/29/2008)