

## Greenhouse Gas Reduction Fee

By: Kristen Miller, Senior Legislative Attorney  
December 23, 2019 | 2019-R-0334

### Issue

Describe legislative changes to the greenhouse gas (GHG) reduction fee ([CGS § 22a-201c](#)).

### Summary

The legislature established the GHG reduction fee in 2006 ([PA 06-161](#)). Beginning in 2007, the Department of Motor Vehicles (DMV) began assessing a \$5 fee on the registration of new motor vehicles weighing 10,000 pounds or less (e.g., most residential vehicles). Fee receipts had to be deposited into the Clean Air Account and could be used by the Department of Environmental Protection (DEP, now the Department of Energy and Environmental Protection (DEEP)) and DMV to educate the public about a new GHG labeling program and GHGs generally.

Since then, the legislature has (1) exempted motorcycles from the fee; (2) revised the purposes for which the funds could be used, ultimately eliminating DMV's and DEEP's ability to use the funds for the GHG labeling and education programs; and (3) directed the fee receipts to the General Fund, rather than the Clean Air Account.

Beginning January 1, 2020, the fee (1) doubles to \$10 for new vehicles and (2) applies, at the original \$5 amount, to used vehicles and registration renewals. Specifically, a \$5 GHG reduction fee will be imposed for registering used vehicles registered as passenger, motor home, combination, or antique vehicles, or renewing such a registration. For one-year registrations by people age 65 or older, the fee is \$5 for new vehicles and \$2.50 for used ones or for a registration renewal.

Also beginning in 2020, the first \$3 million in fee receipts each fiscal year must be used to fund the Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR) program, which provides rebates for purchasing or leasing hydrogen or electric vehicles.

Table 1 below lists the public acts establishing and amending the GHG reduction fee and summarizes the relevant provisions.

**Table 1: Legislative Changes to the GHG Reduction Fee**

<i>Public Act</i>	<i>PA Title</i>	<i>Summary</i>
<a href="#">PA 06-161</a> , § 6	An Act Concerning (AAC) Clean Cars	<ul style="list-style-type: none"> <li>requires DMV to charge a \$5 fee on the registration of new motor vehicles (10,000 pounds or less)</li> <li>requires the funds to be deposited into the Clean Air Act account and allows it to fund the motor vehicle GHG labeling and public education programs the act creates</li> <li>authorizes the DMV and DEP commissioners to use up to 40% and 60%, respectively, of the GHG reduction fee receipts to implement the labeling and education programs</li> </ul>
<a href="#">PA 07-167</a> , § 17	AAC the Administration of the DMV	<ul style="list-style-type: none"> <li>exempts motorcycles from the fee</li> </ul>
<a href="#">PA 08-98</a> , § 6	AAC Connecticut Global Warming Solutions	<ul style="list-style-type: none"> <li>expands how DEP can use its share of the GHG reduction fee to include implementing:               <ol style="list-style-type: none"> <li>air pollution control requirements,</li> <li>GHG emissions reduction requirements,</li> <li>low carbon fuel standard research, and</li> <li>a study by the transportation department on how to (a) improve the state's transportation system to reduce GHG emissions and (b) coordinate with nearby states to incorporate GHG emissions reductions into regional transportation planning</li> </ol> </li> </ul>
<a href="#">PA 08-124</a> , § 20	AAC the Legislative Commissioners' Recommendations for Technical Revisions to the Environmental Statutes and the Open Space and Watershed Grant Program	<ul style="list-style-type: none"> <li>makes a technical change</li> </ul>

**Table 1 (continued)**

<i>Public Act</i>	<i>PA Title</i>	<i>Summary</i>
<a href="#">PA 09-3</a> , June Special Session, § 408	AAC Expenditures and Revenue for the Biennium Ending June 30, 2011	<ul style="list-style-type: none"> <li>requires the GHG reduction fee receipts to go to the General Fund, rather than the Clean Air Act account</li> <li>eliminates the DEP commissioner's ability to use the funds</li> </ul>
<a href="#">PA 13-209</a> , § 15	AAC DEEP Regulatory Streamlining to Assist Municipalities	<ul style="list-style-type: none"> <li>eliminates the DMV commissioner's authority to use GHG reduction fee funds and repeals the related GHG labeling and education programs</li> <li>makes a technical change</li> </ul>
<a href="#">PA 19-117</a> , § 95 (effective January 1, 2020)	AAC the State Budget for the Biennium Ending June 30, 2021, and Making Appropriations Therefor, and Provisions Related to Revenue and Other Items to Implement the State Budget	<ul style="list-style-type: none"> <li>restricts the fee to passenger, motor home, combination, and antique vehicles</li> <li>doubles the fee, from \$5 to \$10, for new vehicle registrations</li> <li>applies a \$5 GHG reduction fee for registering a used vehicle or renewing a registration of any vehicle</li> <li>directs the first \$3 million in fee receipts each fiscal year to fund the CHEAPR program, which provides rebates for purchasing or leasing hydrogen or electric vehicles</li> </ul>

KM:kl