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S.277

Introduced by Senator MacDonald

Referred to Committee on

Date:

Subject: Motor vehicles; registration fees; registration rebates; feebates;
rulemaking

Statement of purpose of bill as introduced: This bill proposes to implement a self-funded system of pleasure car registration fees and rebates based on vehicle efficiency.

An act relating to motor vehicle efficiency feebates

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 23 V.S.A. § 383 is added to read:

§ 383. EFFICIENCY FEES AND REBATES

(a) All pleasure cars, as defined in section 4 of this title, shall be subject to an efficiency fee or entitled to an efficiency rebate based on the model year and depreciated value percentage of the pleasure car at the time of initial registration by an owner in the State.

(b) The Commissioner of Motor Vehicles shall establish for each model year the applicable efficiency fees and rebates that:

1 (1) are designed to be revenue neutral to the State on an ongoing basis
2 and entirely self-funded by fees collected pursuant to subsection (a) of this
3 section, but with an up to five percent reserve from fee revenue available for
4 the issuance of subsequent rebates;

5 (2) are based on the combined fuel economy in miles per gallon or miles
6 per gallon equivalent (MPG(e)) of the motor vehicle as rated by the
7 Environmental Protection Agency;

8 (3) are divided into at least three groups, based on MPG(e), that are
9 entitled to rebates of different amounts and at least three groups, based on
10 MPG(e), that are subject to fees of different amounts;

11 (4) apply to the lease of new pleasure cars and the purchase and lease of
12 both new and used pleasure cars;

13 (5) decrease proportionally based on the depreciated value percentage;
14 and

15 (6) may differ between a purchased and a leased pleasure car.

16 (c) The efficiency fees and rebates applicable for each model year shall be
17 prominently displayed on the website for the Department of Motor Vehicles
18 and available at all dealership locations for dealers registered pursuant to
19 chapter 7, subchapter 4 of this title.

1 (d)(1) A person who sells a personal car, of which the person is the current
2 owner, subject to a vehicle efficiency fee shall be entitled to a registration
3 credit equal to the currently applicable vehicle efficiency rebate.

4 (2) A person who sells a personal car, of which the person is the current
5 owner, entitled to a vehicle efficiency rebate shall be subject to a transfer fee
6 equal to the currently applicable vehicle efficiency fee.

7 (e) As used in this section:

8 (1) “Current value” is the clean trade-in value of the same make, type,
9 model, and model year and as shown in the NADA Official Used Car Guide
10 (New England edition) or any comparable publication.

11 (2) “Depreciated value percentage” is the current value divided by the
12 initial purchase price.

13 (f) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25
14 regulating vehicle efficiency fees and rebates for each model year that are
15 consistent with subsections (b)–(e) of this section.

16 Sec. 2. RULEMAKING

17 On or before June 1, 2023, the Commissioner of Motor Vehicles shall
18 finally adopt rules regarding efficiency fees and rebates as required under 23
19 V.S.A. § 383, as added by Sec. 1 of this act, unless that deadline is extended by
20 the Legislative Committee on Administrative Rules pursuant to 3 V.S.A.
21 § 843(c).

1 Sec. 3. REPORT AND FILING WITH THE INTERAGENCY COMMITTEE
2 ON ADMINISTRATIVE RULES

3 On or before December 1, 2022, the Commissioner of Motor Vehicles shall
4 file:

5 (1) the proposed rules regarding efficiency fees and rebates as required
6 under 23 V.S.A. § 383, as added by Sec. 1 of this act, with the Interagency
7 Committee on Administrative Rules; with the House Committees on Energy
8 and Technology, on Transportation, and on Ways and Means; and with the
9 Senate Committees on Finance, on Natural Resources and Energy, and on
10 Transportation; and

11 (2) a report detailing the implementation of the efficiency fees and
12 rebates, an explanation of potential difficulties in implementation, and a
13 detailed explanation of how efficiency fees and rebates were calculated and
14 will be recalculated pursuant to rule on an ongoing basis with the House
15 Committees on Energy and Technology, on Transportation, and on Ways and
16 Means and with the Senate Committees on Finance, on Natural Resources and
17 Energy, and on Transportation.

18 Sec. 4. EFFECTIVE DATES

19 (a) This section and Secs. 2 (rulemaking) and 3 (report and filing) shall
20 take effect on passage.

1 (b) Sec. 1 (efficiency fees and rebates) shall take effect on July 1 following
2 the adoption of rules by the Commissioner of Motor Vehicles pursuant to
3 Sec. 2 and shall apply to pleasure cars with a model year for the year of
4 adoption and later.