

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

---

Legislative Document

No. 2182

---

H.P. 1529

House of Representatives, April 9, 1999

**An Act to Improve Air Quality through Market Incentives for the  
Purchase of Cleaner Vehicles.**

---

Reference to the Committee on Natural Resources suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative WATSON of Farmingdale.  
Cosponsored by Senator PINGREE of Knox and  
Representatives: BRENNAN of Portland, BRUNO of Raymond, CAMERON of Rumford,  
COLWELL of Gardiner, COWGER of Hallowell, DUDLEY of Portland, Senators: LIBBY of  
York, RAND of Cumberland.

Be it enacted by the People of the State of Maine as follows:

2           **Sec. 1. 5 MRSA §12004-G, sub-§13-E** is enacted to read:

4                   13-E.       Cleaner Car       Not           10 MRSA  
6           Environment/   Rebates       Authorized   §397  
8           Air Quality     Board

10           **Sec. 2. 10 MRSA c.14** is enacted to read:

12                                   **CHAPTER 14**

14                                   **COMMERCE AND TRADE**

16           **§393. Cleaner Car Rebates Program established**

18           Effective January 1, 2000, the Cleaner Car Rebates Program  
20           is created to:

22           1. Inform public. Inform the public concerning motor  
24           vehicle emissions;

26           2. Encourage cleaner vehicles. Encourage the development  
28           of a cleaner fleet of vehicles in Maine by offering a rebate to  
30           each purchaser of a cleaner vehicle;

32           3. Reduce emissions. Reduce air pollution emissions  
34           generated by motor vehicles in the State, including nitrogen  
36           oxides, volatile organic compounds and carbon emissions; and

38           4. Assist dealers. Assist vehicle dealers in meeting the  
40           requirements of the low-emission vehicle program, established  
42           pursuant to Title 38, section 585-D.

44           **§394. Definitions**

46           As used in this chapter, unless the context otherwise  
48           indicates, the following terms have the following meanings.

1. Board. "Board" means the Cleaner Car Rebates Board, as  
          established in Title 5, section 12004-G, subsection 13-E.

2. Cleaner vehicle. "Cleaner vehicle" means a car or  
          light-duty truck that is no older than a 2nd year of model and  
          meets the target criteria set annually by the board for LEV  
          certification and for the efficiency rating.

3. Efficiency rating. "Efficiency rating" means either:

2           A. The highway fuel economy measure in miles per gallon  
4           that the United States Environmental Protection Agency sets  
6           and that is specified on a label on every new vehicle or  
            available in the gas mileage guide published by the United  
            States Environmental Protection Agency; or

8           B. Some other fuel economy measure authorized by the board.

10          4. Fund. "Fund" means the Cleaner Car Rebates Fund.

12          5. LEV certification. "LEV certification" means the  
14          low-emissions vehicle program certification adopted as part of  
            the low-emissions vehicle program pursuant to Title 38, section  
            585-D.

16          6. Program. "Program" means the Cleaner Car Rebates  
18          Program.

20          7. Rebate. "Rebate" means the cleaner car rebate.

22          8. Vehicle. "Vehicle" means a vehicle as defined in Title  
24          36, section 1481, subsection 5.

26          **§395. Cleaner Car Rebates Fund established and administered**

28          1. Creation of fund. The Cleaner Car Rebates Fund is  
30          established under the jurisdiction of the Finance Authority of  
32          Maine. This fund is a revenue-neutral, nonlapsing, revolving  
34          fund used to provide funding for the disbursement of a rebate to  
36          the purchaser of a cleaner vehicle in the State. The fund may  
            only be used for the purposes specified in this chapter and may  
            not be diverted for any other use. The funding must be deposited  
            with, maintained and administered by the Finance Authority of  
            Maine and consists of all air quality improvement fees collected  
            pursuant to Title 36, chapter 111.

38          2. Administrative expenses. Costs and expenses associated  
40          with maintaining and administering the fund up to 1% of the total  
42          fund per calendar year and costs and expenses directly associated  
            with marketing the program may be paid out of the fund.

44          3. Annual report. At the end of each calendar year, the  
46          Finance Authority of Maine shall prepare a report listing the  
            money collected by the fund, the expenses incurred in  
            administering the program and the rebates paid during that  
            calendar year.

2       **§396. Eligibility and disbursement of rebate**

4           **1. Eligibility.** A rebate is available on a one-time basis  
6 to a resident of the State who purchases a cleaner vehicle. The  
8 amount of a rebate varies depending upon how clean or how  
efficient the purchased cleaner vehicle is. The cleaner or more  
efficient the vehicle, the higher the rebate.

10           **2. Criteria in rebate matrix.** The board shall develop at  
12 least one matrix each year to target the emissions categories and  
14 efficiency ratings that will achieve the rebate goals set for  
16 that year. During the first year of the program, the matrix must  
show at least 3 levels of LEV certifications and at least 3  
levels of efficiency ratings to include low, medium and high.

18           **3. Rebate matrix.** During the first year of the program,  
20 the rebates must range from no less than \$100 to no more than  
22 \$3,000 per rebate. After the first year, the ranges may change  
24 according to new data and cleaner vehicle technology. As  
designated in the matrix for the year the cleaner vehicle is  
purchased, each rebate must be based on the cleaner vehicle's  
specific LEV certification and efficiency rating.

26           **4. Disbursement of rebate.** Starting on January 1, 2000,  
28 the Finance Authority of Maine shall disburse from the fund a  
30 rebate in accordance with rules adopted by the board. Rebates  
must be disbursed on an ongoing basis and within a reasonable  
time frame.

32       **§397. Cleaner Car Rebates Board; duties of board**

34           **1. Establishment; membership.** The Cleaner Car Rebates  
36 Board, as established by Title 5, section 12004-G, subsection  
13-E, consists of members appointed by the Governor as follows:

38           **A.** The Commissioner of Environmental Protection, or the  
40 commissioner's designee, who serves as a voting, ex officio  
member of the board;

42           **B.** The Deputy Secretary of the Bureau of Motor Vehicles, or  
44 the deputy's designee, who serves as a voting, ex officio  
member of the board;

46           **C.** One member who represents a statewide auto dealers  
association;

48           **D.** Two members of the public who have knowledge and  
50 experience in the development of market incentive programs  
designed to improve environmental quality; and

2 E. Five members of the public who have knowledge and  
4 experience in cleaner car technology and air quality.

6 2. Terms. Members appointed under subsection 1, paragraphs  
8 C to E serve for 2-year terms and may be reappointed.

10 3. Duties of the board. The board has the following powers  
12 and duties.

14 A. Using existing data when possible, the board shall  
16 advise the Finance Authority of Maine annually on the  
18 administration of the program. That advice includes, but is  
20 not limited to, setting the rebate goals for the program;  
22 setting the matrix criteria based upon new data,  
24 technological progress and market progress; ensuring that  
26 the program remains revenue-neutral; and deciding annual  
28 amounts to be used for program marketing.

30 B. The board shall adopt annually by October 1st routine  
32 technical rules pursuant to Title 5, chapter 375, subchapter  
34 II-A to carry out this chapter.

36 C. The board may contract with the Finance Authority of  
38 Maine, financial institutions, educational institutions,  
40 business enterprises, nonprofit institutions and  
42 organizations or individuals for assistance in administering  
44 the program as the board may require.

46 **§398. Rebate terms and conditions**

48 The Finance Authority of Maine shall issue a rebate under  
the following terms and conditions.

1 1. Provide evidence. The purchaser of a cleaner vehicle  
2 must provide evidence satisfactory to the board that the vehicle  
3 qualifies for a rebate in accordance with rules adopted by the  
4 board.

5 2. Rebate disbursed. A disbursed rebate may not exceed the  
6 amount set forth in the matrix developed each year according to  
7 the specific LEV certification and efficiency rating criteria for  
8 that particular cleaner vehicle.

9 **Sec. 3. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 1995, c.**  
10 **645, Pt. B, §23 and affected by §24, is further amended to read:**

11 C. For the privilege of operating a motor vehicle or camper  
12 trailer on the public ways, each motor vehicle, other than a

2 stock race car, or each camper trailer to be so operated is  
subject to excise tax as follows, except as specified in  
3 subparagraph (3): a sum equal to an air quality improvement  
4 fee in accordance with subparagraph (4) added to 24 mills on  
each dollar of the maker's list price for the first or  
6 current year of model, 17 1/2 mills for the 2nd year, 13 1/2  
mills for the 3rd year, 10 mills for the 4th year, 6 1/2  
8 mills for the 5th year and 4 mills for the 6th and  
succeeding years. The minimum tax is \$5 for a motor vehicle  
10 other than a bicycle with motor attached, \$2.50 for a  
bicycle with motor attached, \$15 for a camper trailer other  
12 than a tent trailer and \$5 for a tent trailer. The excise  
tax on a stock race car is \$5.

14  
16 (1) On new registrations of automobiles, trucks and  
truck tractors, the excise tax payment must be made  
prior to registration and is for a one-year period from  
18 the date of registration.

20 (2) Vehicles registered under the International  
Registration Plan are subject to an excise tax  
22 determined on a monthly proration basis if their  
registration period is less than 12 months.

24  
26 (3) For commercial vehicles manufactured in model year  
1996 and after, the amount of excise tax due for  
commercial vehicles, as defined in Title 29-A, section  
28 101, subsection 17, paragraph A and for special mobile  
equipment, as defined in Title 29-A, section 101,  
30 subsection 70, is based on the purchase price in the  
original year of title rather than on the list price.  
32 Verification of purchase price for the application of  
excise tax is determined by the initial bill of sale or  
34 the state sales tax document provided at point of  
purchase. The initial bill of sale is that issued by  
36 the dealer to the initial purchaser of a new vehicle.

38 (4) The air quality improvement fee is \$5 for a new  
40 current model year motor vehicle, and \$3 for any other  
motor vehicle.

42 For motor vehicles being registered pursuant to Title 29-A,  
section 405, subsection 1, paragraph C, the excise tax must  
44 be prorated for the number of months in the registration.

46 **Sec. 4. 36 MRSA §1484, sub-§4**, as amended by PL 1985, c. 793,  
§2, is further amended to read:

48  
50 **4. When paid to State.** When an excise tax is to be paid to  
the State under this section, it ~~shall~~ must be paid to the

2 Treasurer of State in the case of aircraft and to the Secretary  
of State in the case of motor vehicles and deposited in the  
4 General Fund; except that the air quality improvement fee  
5 apportionment of the excise tax collected by the Secretary of  
6 State must be deposited on a monthly basis in the fund  
established pursuant to Title 10, section 395.

8 **Sec. 5. 36 MRSA §1487, sub-§1**, as amended by PL 1967, c. 23,  
is further amended to read:

10 **1. Municipal tax collector.** In Subject to section 1489, in  
12 the case of municipalities, or a municipally owned airport or  
14 seaplane base, the municipal tax collector or such other person  
16 as the municipality may designate shall collect such excise tax  
and shall deposit the money received with the municipal treasurer  
monthly.

18 A. Such collector shall report to the municipal officers at  
20 the end of the municipal year, showing the total amount of  
excise tax collected by him and the amounts applying to each  
22 year.

24 **Sec. 6. 36 MRSA §1487, sub-§2**, as amended by PL 1995, c. 29,  
§1, is further amended to read:

26 **2. State Tax Assessor.** In the unorganized territory, the  
28 State Tax Assessor shall appoint agents to collect the excise  
tax. Agents, including municipalities designated as agents, are  
30 allowed a fee of \$4 for each tax receipt issued. Agents shall  
32 deposit the remainder of the excise taxes that does not include  
34 the air quality improvement fee apportionment on or before the  
20th day of each month following receipt with the Treasurer of  
36 State. The Treasurer of State shall make quarterly payments to  
each county in an amount that is equal to the receipts for that  
38 period from each county that do not include the air quality  
40 improvement fee apportionment. Those payments must be made at  
42 the same time as payments under section 1606. County receipts  
that do not include the air quality improvement fee apportionment  
under this section must be deposited in the county's unorganized  
territory fund. Agents shall deposit the air quality improvement  
fee apportionment of the excise taxes on a monthly basis to the  
fund established pursuant to Title 10, section 395.

44 **Sec. 7. 36 MRSA §1489**, as amended by PL 1985, c. 459, Pt. C,  
46 §12, is further amended to read:

48 **§1489. Crediting and apportionment of tax received**

50 **1. Municipal excise tax account.** In municipalities the  
treasurer shall credit money received from excise taxes that does



2 not include air quality improvement fees to an excise tax  
account, from which it may be appropriated by the municipality  
4 Air quality improvement fee apportionment money received from  
excise taxes must be credited on a monthly basis to the fund  
6 established pursuant to Title 10, section 395.

8

## SUMMARY

10

12 This bill implements the Cleaner Car Rebates Program to  
14 promote the purchase of new and used cleaner cars and trucks  
through the use of offering a rebate to the purchaser of a  
16 cleaner vehicle. Under the bill, market incentives are used to  
reduce air pollution generated by vehicles in Maine, including  
18 nitrogen oxides, volatile organic compounds and carbon emissions,  
and to assist automobile manufacturers and dealers in meeting the  
20 requirements of the low-emission vehicle program established  
pursuant to the Maine Revised Statutes, Title 38, section 585-D.