

26:2C-8.15

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2003 **CHAPTER:** 266

NJSA: 26:2C-8.15 (California Low Emissions Program implemented)

BILL NO S2351 (Substituted for A3393/2439)

SPONSOR(S): Bennett and others

DATE INTRODUCED: February 27, 2003

COMMITTEE: **ASSEMBLY:** ----

SENATE: Budget and Appropriations; Transportation

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 12, 2004

SENATE: January 12, 2004

DATE OF APPROVAL: January 14 2004

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Senate Committee Substitute (1R))

(Amendments during passage denoted by asterisks)

S2351

[SPONSOR'S STATEMENT:](#) (Begins on page 2 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes [12-11-2003 \(Budget\)](#)
[5-15-2003 \(Trans.\)](#)

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

A3393/2439

[SPONSOR'S STATEMENT \(A3393\):](#) (Begins on page 5 of original bill) [Yes](#)

[SPONSOR'S STATEMENT \(A2439\):](#) (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

"McGreevey signs Clean Car Act to cut pollution," 1-15-2004 The Press, p.A6

"New Jersey Senate Approves Strict Car Emissions Standards," 1-13-2004 New York Times, p.B5

"Automakers fear new law will idle profit," 1-15-2004 The Record, pA1.

"McGreevey's approach to environment praised," 1-15-2004 Courier News, p.A3

See: <http://www.arb.ca.gov/msprog/levprog/levprog.htm> for California program standards

§§1-7 -
C.26:2C-8.15
to 26:2C-8.21
§11 - C.54:32B-8.55
§12 - Repealer

P.L. 2003, CHAPTER 266, *approved January 14, 2004*
Senate Committee Substitute (*First Reprint*) for
Senate, No. 2351

1 **AN ACT** concerning implementation of the California Low Emission
2 Vehicle program, supplementing P.L.1954, c.212 (C.26:2C-1 et
3 seq.), amending and repealing various sections of P.L.1993, c.69,
4 and supplementing P.L.1966, c.30 (C.54:32B-1 et seq).

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. (New section) The Legislature finds ¹and declares¹ that the
10 implementation of the National Low Emission Vehicle program is a
11 key component of the State's efforts to achieve on-time emissions
12 reductions and to attain compliance with the ¹[National Ambient Air
13 Quality Standards] national ambient air quality standards¹, as required
14 pursuant to the federal "Clean Air Act Amendments of 1990," 42
15 U.S.C. s.7403 et seq.; that the State's ¹[chances for reaching]¹
16 attainment of the ¹[National Ambient Air Quality Standards]national
17 ambient air quality standards¹ will require further, more stringent
18 reductions in emissions of pollutants ¹[to achieve the required goals;
19 that Phase II of] ; that¹ the California Low Emission Vehicle program
20 provides for greater reductions in pollutants than the National Low
21 Emission Vehicle program; and that the State has committed to
22 implementing the National Low Emission Vehicle program until 2006
23 but can implement the California Low Emission Vehicle program after
24 that ¹year¹.

25 The Legislature further finds ¹and declares¹ that in the summer of
26 2002, New Jersey had the highest number of smog violations per
27 monitoring station in the nation; that in December 2003, the United
28 States Environmental Protection Agency announced its intention to
29 designate the entire State as out-of-compliance with the agency's
30 ¹[health based] health-based¹ standard for ozone; and that this
31 designation by the United States Environmental Protection Agency
32 would require the State to adopt a stronger, more comprehensive clean
33 air plan for the State.

34 The Legislature further finds ¹[that 48 percent] and declares that
35 a significant percentage¹ of particulate emissions, ¹[31 percent of]¹

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate floor amendments adopted January 8, 2004.

1 smog-forming emissions, and ¹[80 percent of]¹ airborne cancer risk
2 comes from vehicle emissions; that pollution from automobiles is
3 expected to increase with the projected population increase estimate
4 of an additional 1,200,000 people in the State in the next decade; and
5 that mobile sources of emissions have received less regulatory
6 attention than industrial facilities and area sources of pollution.

7 The Legislature further finds ¹and declares¹ that ground-level
8 ozone, or smog, is formed ¹[from] when¹ automobile, industrial and
9 other pollutants ¹[by chemical reactions when there is] chemically
10 react with¹ bright sunshine ¹[with] and¹ high temperatures; that
11 ground-level ozone irritates the ¹[mucous membranes of the]¹
12 respiratory system and can cause coughing, wheezing, chest pain and
13 headaches; that ozone especially aggravates chronic respiratory
14 diseases such as asthma and bronchitis; that ground-level ozone and
15 other air toxics have a substantial negative impact on the health and
16 quality of life of residents of the State; and that reducing ground-level
17 ozone pollution will help reduce these negative health effects.

18 The Legislature therefore determines that it is in the public interest
19 to ¹[implement Phase II of the California Low Emission Vehicle
20 program, to provide an incentive for the purchase or lease of zero
21 emission vehicles and qualified hybrid vehicles, to establish a
22 commission charged with reviewing the implementation of the program
23 and the economic development of the technology of zero emission
24 vehicles, and to require this commission to report to the Governor and
25 the Legislature no later than December 15, 2007, and to provide for
26 the expiration of the implementation of the California Low Emission
27 Vehicle program in the State on April 15, 2008, unless the
28 implementation of the program is reauthorized by law within 120 days
29 of the submission of this report or by December 15, 2007, whichever
30 date is later] : implement the California Low Emission Vehicle
31 program beginning January 1, 2009; establish a zero emission vehicle
32 credit bank for manufacturers; establish a Low Emission Vehicle
33 Review Commission charged with reviewing the implementation of the
34 program, the availability and success of the incentive, and the
35 technology of zero emission vehicles; and provide an incentive for the
36 purchase or lease of zero emission vehicles¹.

37
38 ¹2. (New section) As used in sections 1 through 7 of P.L. _____,
39 c. (C.) (before the Legislature as this bill):

40 "Advanced technology partial zero emission vehicle" means a
41 vehicle certified as an advanced technology partial zero emission
42 vehicle pursuant to the California Air Resources Board vehicle
43 standards for the applicable model year;

44 "California Low Emission Vehicle program" means the second
45 phase of the low emission vehicle program being implemented in the
46 State of California, pursuant to the provisions of the Federal Clean Air

1 Act and the California Code of Regulations;

2 "Commissioner" means the Commissioner of Environmental
3 Protection;

4 "Department" means the Department of Environmental Protection;

5 "Federal Clean Air Act" means the federal "Clean Air Act,"
6 42 U.S.C. s.7401 et seq., and any subsequent amendments or
7 supplements to that act;

8 "Low Emission Vehicle Review Commission" means the
9 commission established by subsection a. of section 5 of P.L. , c.
10 (C.) (before the Legislature as this bill);

11 "Partial zero emission vehicle" means a vehicle certified as a partial
12 zero emission vehicle pursuant to the California Air Resources Board
13 vehicle standards for the applicable model year;

14 "State implementation plan" means the State implementation plan
15 for national ambient air quality standards adopted for New Jersey
16 pursuant to the federal Clean Air Act;

17 "Zero emission vehicle" means a vehicle certified as a zero
18 emission vehicle pursuant to the California Air Resources Board zero
19 emission vehicle standards for the applicable model year, but shall not
20 include an advanced technology partial zero emission vehicle or a
21 partial zero emission vehicle; and

22 "Zero emission vehicle requirement" means the percentage or
23 number of those vehicles certified as zero emission vehicles pursuant
24 to the California Air Resources Board vehicle standards and required
25 to be delivered by a manufacturer for sale or lease for the applicable
26 model year, and any additional percentages or numbers of advanced
27 technology partial zero emission vehicles or partial zero emission
28 vehicles that may be delivered by a manufacturer for sale or lease to
29 satisfy the zero emission vehicle requirement established by the
30 California Air Resources Board in lieu of vehicles that meet the pure
31 zero emission vehicle standard.¹

32
33 ¹[2.] ¹3. (New section) a. Notwithstanding any provision of a
34 State ¹[Implementation Plan] implementation plan¹ submitted by the
35 Department of Environmental Protection to the United States
36 Environmental Protection Agency pursuant to the requirements of the
37 federal "Clean Air Act Amendments of 1990," 42 U.S.C. s.7403 et
38 seq., to the contrary, the ¹[Department of Environmental Protection]
39 department¹ shall implement ¹[Phase II of]¹ the California Low
40 Emission Vehicle program in the State beginning ¹[two motor vehicle
41 model years after the effective date] on January 1, 2009, except as
42 provided pursuant to sections 6 and 7¹ of P.L. , c. (C.) (before
43 the Legislature as this bill).

44 b. The Commissioner of Environmental Protection, within 30 days
45 ¹[of] after¹ a proposed major substantive change to ¹[Phase II of]¹
46 the California Low Emission Vehicle program ¹[in the State of

1 California that necessitates] that, if adopted, would necessitate¹ a
2 corresponding ¹[major]¹ substantive change to the program in New
3 Jersey adopted pursuant to subsection a. of this section, shall provide
4 written notice and a summary of the proposed ¹[major]¹ substantive
5 change to the Senate Environment Committee and the Assembly
6 Environment and Solid Waste Committee, or their successors as
7 designated respectively by the President of the Senate and the Speaker
8 of the General Assembly.

9 c. The ¹[Commissioner of Environmental Protection]
10 commissioner¹ shall adopt, pursuant to the "Administrative Procedure
11 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), any rules and regulations
12 necessary to implement ¹[Phase II of]¹ the California Low Emission
13 Vehicle program in the State beginning ¹[two motor vehicle model
14 years after the effective date of P.L. , c. (C.) (before the
15 Legislature as this bill)] on January 1, 2009¹.

16 ¹[d. As used in this section, "Phase II of the California Low
17 Emission Vehicle program" means the second phase of the low
18 emission vehicle program being implemented in California, pursuant to
19 the requirements of the federal "Clean Air Act," 42 U.S.C. s.7401 et
20 seq.

21 e. The provisions of this section shall expire on April 15, 2008,
22 unless the provisions of this section are reauthorized by law within 120
23 days of the submission of the report required pursuant to subsection
24 g. of section 5 of P.L. , c. (C.) (before the Legislature as this
25 bill), or by December 15, 2007, whichever date is later.]¹

26

27 ¹4. (New section) a. The Commissioner of Environmental
28 Protection shall establish a zero emission vehicle credit bank to allow
29 manufacturers to earn and bank vehicle equivalent credits for any
30 advanced technology partial zero emission vehicle or partial zero
31 emission vehicle produced and delivered for sale or lease in the State
32 on or after January 1, 1999 and through December 31, 2008.

33 (1) In establishing the credit bank required by this section, the
34 commissioner shall use the highest multiplier used by the California Air
35 Resources Board for determining the allowable vehicle equivalent
36 credits for each advanced technology partial zero emission vehicle or
37 partial zero emission vehicle delivered for sale or lease in the State by
38 a manufacturer on or after January 1, 1999 until the effective date of
39 P.L. , c. (C.) (before the Legislature as this bill).

40 (2) Beginning on the effective date of P.L. , c. (C.) (before
41 the Legislature as this bill), the commissioner shall use the multiplier
42 used by the California Air Resources Board for the applicable model
43 year for each advanced technology partial zero emission vehicle or
44 partial zero emission vehicle delivered for sale or lease in the State by
45 a manufacturer on or after the effective date of P.L. , c. (C.)

1 (before the Legislature as this bill) and through December 31, 2008.

2 b. (1) Within 180 days after the effective date of P.L. , c.
3 (C.) (before the Legislature as this bill), the commissioner shall
4 publish a list in the New Jersey Register of the make and model of
5 those motor vehicles that qualify as advanced technology partial zero
6 emission vehicles or partial zero emission vehicles for the 1999
7 through 2003 model years.

8 (2) Annually thereafter, the commissioner shall publish a list in the
9 New Jersey Register of the make and model of those motor vehicles
10 that qualify as advanced technology partial zero emission vehicles or
11 partial zero emission vehicles for that respective model year.

12 (3) The commissioner may revise any list published pursuant to
13 this subsection as necessary to comply with the California Air
14 Resources Board vehicle standards for the applicable model year.

15 c. Notwithstanding the provisions of the "Administrative
16 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
17 the commissioner shall, immediately upon filing the proper notice with
18 the Office of Administrative Law, adopt such temporary rules and
19 regulations as necessary to establish a zero emission vehicle credit
20 bank pursuant to subsection a. of this section. These rules and
21 regulations may include, but need not be limited to, the documentation
22 to be submitted by a manufacturer to determine eligibility and
23 participation in the credit bank established pursuant to subsection a.
24 of this section, and fees for administrative services provided to
25 implement the zero emission vehicle credit bank to be assessed to
26 those manufacturers seeking to earn and bank credits. The temporary
27 rules and regulations shall be in effect for a period not to exceed 270
28 days after the date of the filing, except that in no case shall the
29 temporary rules and regulations be in effect one year after the effective
30 date of P.L. , c. (C.) (before the Legislature as this bill). The
31 temporary rules and regulations shall thereafter be amended, adopted
32 or readopted by the commissioner as the commissioner determines is
33 necessary in accordance with the requirements of the "Administrative
34 Procedure Act."

35 d. The provisions of this section shall expire upon the passage of
36 a concurrent resolution by the Legislature directing the department to
37 implement the National Low Emission Vehicle program pursuant to
38 subsection a. of section 6 of P.L. , c. (C.) (before the Legislature
39 as this bill).¹

40
41 ¹5. (New section) a. There is established the Low Emission
42 Vehicle Review Commission consisting of 15 members as follows: the
43 Director of the Environmental and Occupational Health Sciences
44 Institute at Rutgers, the State University of New Jersey, or the
45 director's designee; a representative of the Department of
46 Environmental Protection appointed by the commissioner; one member

1 of the General Assembly appointed by the Speaker of the General
2 Assembly; one member of the Senate appointed by the President of the
3 Senate; and 11 public members.

4 The 11 public members, to be appointed by the Governor with the
5 advice and consent of the Senate, shall be as follows: two members
6 representing manufacturers of automobiles sold within the State; two
7 members representing automotive retailers and recommended to the
8 Governor by the New Jersey Coalition of Automotive Retailers; two
9 members of recognized Statewide environmental organizations; one
10 member representing the New Jersey Public Interest Research Group;
11 one member representing the New Jersey Institute of Technology and
12 recommended to the Governor by the President of the New Jersey
13 Institute of Technology; one member representing the American Lung
14 Association of New Jersey; one member representing the Northeast
15 States for Coordinated Air Use Management; and one member
16 representing a zero emission vehicle technology company.

17 b. Any vacancies in the membership of the commission shall be
18 filled in the same manner as the original appointments were made.

19 c. The Director of the Environmental and Occupational Health
20 Sciences Institute at Rutgers, the State University of New Jersey, or
21 the director's designee, shall serve as chairperson of the commission.
22 The commission shall meet at the call of the chairperson, and the
23 commission shall organize as soon as practicable after appointment of
24 its members.

25 d. The members of the commission shall serve without
26 compensation, but may be reimbursed for necessary expenses incurred
27 in the performance of their duties.

28 e. The commission shall be entitled to call to its assistance and
29 avail itself of the services of the employees of any State department,
30 board, bureau, commission or agency, as it may require and as may be
31 available for its purposes, and to employ stenographic and clerical
32 assistance and incur traveling and other miscellaneous expenses as may
33 be necessary in order to perform its duties, within the limits of funds
34 appropriated or otherwise made available to it for its purposes.

35 f. (1) The commission shall study advances made in zero emission
36 vehicle and advanced technology partial zero emission vehicle
37 technologies. The commission shall also study the development of
38 hydrogen fuel cell technology, the infrastructure required for its use in
39 motor vehicles, the development of that infrastructure, and the
40 availability of hydrogen fuel cell vehicles to the public. In studying
41 these issues, the commission shall review any advice prepared by the
42 independent expert review panel established to advise the California
43 Air Resources Board concerning advances made in zero emission
44 vehicle and advanced technology partial zero emission vehicle
45 technologies.

46 (2) The commission shall evaluate any proposed or adopted

1 changes made by the California Air Resources Board to the California
2 Low Emission Vehicle program and the potential effects of these
3 changes on the implementation of the program in this State. If the
4 California Air Resources Board has not acted prior to the start of the
5 2008 model year to revise the requirements under the alternative
6 compliance path for the amount of fuel cell vehicles required by a
7 manufacturer beginning for the 2012 model year from a state-specific
8 requirement to a nationwide requirement, the commission shall make
9 a recommendation as to whether the State should implement the
10 California Low Emission Vehicle program beginning on January 1,
11 2009 or if the State should instead continue with implementation of
12 the National Low Emission Vehicle program.

13 (3) The commission shall determine whether the incentive
14 provided by the State pursuant to section 11 of P.L. , c. (C.)
15 (before the Legislature as this bill) is sufficient to encourage the
16 purchase of zero emission vehicles. The commission shall make
17 recommendations to the Governor and the Legislature setting forth
18 any additional incentives determined to be necessary to encourage the
19 purchase of zero emission vehicles or advanced technology partial zero
20 emission vehicles in order to increase the effectiveness of the
21 implementation of the California Low Emission Vehicle program in the
22 State.

23 (4) The commission shall evaluate the feasibility of the zero
24 emission vehicle requirement of the California Low Emission Vehicle
25 program and make a determination whether the zero emission vehicle
26 requirement is achievable in this State beginning on January 1, 2009.
27 This evaluation shall include an examination of zero emission vehicle
28 technology, price, performance, consumer acceptability, and
29 implementation issues relating to the use of zero emission vehicles in
30 the State.

31 g. Within one year after organizing, the commission shall submit
32 a report to the Governor, the Commissioner of Environmental
33 Protection, and the Legislature: (1) summarizing the activities and
34 findings of the commission to date; (2) setting forth any
35 recommendations for additional incentives determined to be necessary
36 to encourage the purchase of zero emission vehicles or advanced
37 technology partial zero emission vehicles; and (3) setting forth any
38 recommendations that would increase the effectiveness of the
39 implementation of the California Low Emission Vehicle program in the
40 State.

41 h. No later than January 1, 2008, the commission shall submit a
42 final report to the Governor, the Commissioner of Environmental
43 Protection, and the Legislature:

44 (1) summarizing the studies and evaluations conducted pursuant
45 to subsection f. of this section;

46 (2) setting forth any recommendations for additional incentives to

1 encourage the purchase of zero emission vehicles or advanced
2 technology partial zero emission vehicles; and

3 (3) setting forth a recommendation as to whether:

4 (a) pursuant to paragraph (2) of subsection f. of this section, the
5 California Low Emission Vehicle program should be implemented in
6 the State beginning on January 1, 2009 or if the State should instead
7 continue with implementation of the National Low Emission Vehicle
8 program; and

9 (b) if the commission recommends that the California Low
10 Emission Vehicle program should be implemented in the State, the
11 commission shall further set forth a recommendation as to whether the
12 zero emission vehicle requirements of the program should be
13 implemented in the State based on the evaluation conducted pursuant
14 to paragraph (4) of subsection f. of this section.¹

15
16 ^{16.} (New section) a. If the low emission vehicle review
17 commission, in the report required pursuant to subsection h. of section
18 5 of P.L. , c. (C.) (before the Legislature as this bill),
19 recommends, pursuant to subparagraph (a) of paragraph (3) of
20 subsection h. of section 5 of P.L. , c. (C.) (before the Legislature
21 as this bill), that the State should not implement the California Low
22 Emission Vehicle program and instead continue with implementation
23 of the National Low Emission Vehicle program, the department shall
24 implement the California Low Emission Vehicle program unless the
25 Legislature by passage of a concurrent resolution directs the
26 department to implement the National Low Emission Vehicle program.

27 b. Upon the passage of a concurrent resolution by the Legislature
28 directing the department to implement the National Low Emission
29 Vehicle program, the commissioner, notwithstanding the provisions of
30 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
31 seq.) to the contrary, shall, immediately upon filing the proper notice
32 with the Office of Administrative Law, adopt such temporary rules and
33 regulations as necessary to continue implementation of the National
34 Low Emission Vehicle program.

35 The temporary rules and regulations shall be in effect for a period
36 not to exceed 270 days after the date of the filing. The temporary
37 rules and regulations shall thereafter be amended, adopted or
38 readopted by the commissioner as the commissioner determines is
39 necessary in accordance with the requirements of the "Administrative
40 Procedure Act."¹

41
42 ^{17.} (New section) a. If the low emission vehicle review
43 commission recommends in the report required pursuant to subsection
44 h. of section 5 of P.L. , c. (C.) (before the Legislature as this bill)
45 that the State should implement the California Low Emission Vehicle
46 program without the zero emission vehicle requirement, the

1 commissioner may make a determination to accept or reject the
2 recommendation of the commission concerning the implementation of
3 the zero emission vehicle requirement.

4 b. Notwithstanding the provisions of the "Administrative
5 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
6 the Commissioner of Environmental Protection shall, immediately
7 upon filing the proper notice with the Office of Administrative Law,
8 adopt such temporary rules and regulations as necessary to implement
9 the provisions of subsection a. of this section.

10 The temporary rules and regulations shall be in effect for a period
11 not to exceed 270 days after the date of the filing. The temporary
12 rules and regulations shall thereafter be amended, adopted or
13 readopted by the commissioner as the commissioner determines is
14 necessary in accordance with the requirements of the "Administrative
15 Procedure Act."

16 c. The commissioner shall, in writing, notify the Governor and the
17 Legislature of: (1) the determination made pursuant to subsection a.
18 of this section; and (2) the filing of the temporary rules and
19 regulations with the Office of Administrative Law pursuant to
20 subsection b. of this section.¹

21
22 ¹8. Section 5 of P.L.1993, c.69 (C.26:2C-8.10) is amended to
23 read as follows:

24 5. The department shall not adopt rules and regulations requiring,
25 for gasoline-fueled motor vehicles, the sale and use of reformulated
26 gasoline other than that certified therefor by the United States
27 Environmental Protection Agency pursuant to subsection (k) of 42
28 U.S.C. s.7545 for sale and use in states other than the State of
29 California. If the sale and use of reformulated gasoline other than that
30 so certified is required by federal law, rule, regulation, agency ruling,
31 order, opinion, or other action or court order to be sold for use, and
32 used, in gasoline-fueled motor vehicles in New Jersey because the
33 State has implemented [a low emission vehicle] the California Low
34 Emission Vehicle program pursuant to subsection a. of section 3 of
35 P.L. , c. (C.) (before the Legislature as this bill) , the [low
36 emission vehicle] California Low Emission Vehicle program
37 implemented in New Jersey pursuant to P.L. , c. (C.) (before
38 the Legislature as this bill) shall expire 180 days from the date of
39 enactment of the federal law, adoption of the federal rule or
40 regulation, issuance of the agency ruling, order, opinion, or other
41 action, or issuance of the court order, as the case may be.¹
42 (cf: P.L.1993, c.79, s.5)

1 ¹[3.] 9.¹ Section 6 of P.L.1993, c.69 (C.26:2C-8.11) is amended
2 to read as follows:

3 6. a. The department shall adopt, pursuant to the "Administrative
4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
5 regulations implementing the following mandated air pollution control
6 measures identified in the federal Clean Air Act and consistent with
7 any rules, regulations, or guidelines that may be promulgated therefor
8 by the United States Environmental Protection Agency:

9 [a.] (1) Enhanced vehicle inspection and maintenance program;

10 [b.] (2) Correction of reasonably available control technology
11 rules for volatile organic compounds;

12 [c.] (3) Reasonably available control technology rules for volatile
13 organic compounds;

14 [d.] (4) Reasonably available control technology rules for oxides
15 of nitrogen;

16 [e.] (5) New source review regulations for volatile organic
17 compounds, oxides of nitrogen, and carbon monoxide;

18 [f.] (6) Criteria and procedures for determining conformity
19 between the State implementation plan and transportation plans; and

20 [g.] (7) Use in ozone nonattainment areas of federal reformulated
21 gasoline that meets the requirements of subsection (k) of 42 U.S.C.
22 s.7545 for sale and use in states other than the State of California.

23 b. As used in this section:

24 "Department" means the Department of Environmental Protection;

25 "Federal Clean Air Act" means the federal "Clean Air Act,"
26 42 U.S.C. s.7401 et seq., and any subsequent amendments or
27 supplements to that act; and

28 "State implementation plan" means the State implementation plan
29 for national ambient air quality standards adopted for New Jersey
30 pursuant to the federal Clean Air Act.

31 (cf: P.L.1993, c.69, s.6)

32

33 ¹[4.] 10.¹ Section 10 of P.L.1993, c.69 (C.26:2C-8.14) is
34 amended to read as follows:

35 10. a. The Department of Environmental Protection, in
36 consultation with the [Department] Commissioner of Transportation
37 and the [Division of Motor Vehicles in the Department of Law and
38 Public Safety] Chief Administrator of the New Jersey Motor Vehicle
39 Commission , shall prepare and submit on a semi-annual basis to the
40 Senate Environment Committee and the Assembly Environment and
41 Solid Waste Committee, or their successors as designated respectively
42 by the President of the Senate and the Speaker of the General
43 Assembly, a written report that shall:

44 (1) summarize the State implementation plan and any amendments,
45 alterations, or supplements to that plan that have been made or

1 proposed since the last semi-annual report was issued; and
2 (2) analyze the progress and effectiveness of the State
3 implementation plan with respect to ensuring that the State shall be,
4 and shall remain, in compliance with all applicable requirements,
5 standards, and deadlines set forth in the federal Clean Air Act [; and
6 (3) summarize the status of the low emission vehicle program in
7 New Jersey, if one is implemented in the State, and the status of
8 similar programs in the states of California, Delaware, Maryland, New
9 York, and Pennsylvania].

10 As used in this subsection: "federal Clean Air Act" means the
11 federal "Clean Air Act," 42 U.S.C. s.7401 et seq., and any subsequent
12 amendments or supplements to that act; and "State implementation
13 plan" means the State implementation plan for national ambient air
14 quality standards adopted for New Jersey pursuant to the federal Clean
15 Air Act.

16 b. [The Department of Environmental Protection shall prepare and
17 submit to the Governor, the Legislature, and the Senate Environment
18 Committee and the Assembly Environment Committee, or their
19 successors as designated respectively by the President of the Senate
20 and the Speaker of the General Assembly, and release to the public,
21 (1) by May 30, 1993, a list of air pollution control strategies,
22 measures, and options that are optional under federal law, for
23 consideration and possible enactment into law by the Legislature, and
24 (2) within 30 days after the date of enactment of this act, a
25 comprehensive emission inventory of volatile organic compounds and
26 oxides of nitrogen for the State, which shall include emission inventory
27 data for the 1990 calendar year to the maximum extent possible.]

28 Deleted by amendment, P.L. , c. (before the Legislature as this bill).

29 c. [The Department of Environmental Protection, within 30 days
30 of a proposed substantive change to the low emission vehicle program
31 in the State of California that in the opinion of the department shall
32 necessitate a corresponding substantive change to the low emission
33 vehicle program in New Jersey, if such a program is implemented in
34 the State, shall provide written notice and a summary of the proposed
35 substantive change to the California low emission vehicle program to
36 the Senate Environment Committee and the Assembly Environment
37 Committee, or their successors as designated respectively by the
38 President of the Senate and the Speaker of the General Assembly.]

39 Deleted by amendment, P.L. , c. (before the Legislature as this bill).

40 (cf: P.L.1993, c.69, s.10)

41

42 ¹[5. (New section) a. There is established a low emission vehicle
43 review commission consisting of 14 members as follows: the
44 Commissioner of Environmental Protection or the commissioner's
45 designee; the Director of the Environmental and Occupational Health
46 Sciences Institute at Rutgers, the State University of New Jersey, or

1 the director's designee; the Chief Administrator of the New Jersey
2 Motor Vehicle Commission, or the administrator's designee, and 11
3 public members. The 11 public members, to be appointed by the
4 Governor with the advice and consent of the Senate, are as follows:
5 two members representing manufacturers of automobiles sold within
6 the State; two members representing automotive retailers and
7 recommended to the Governor by the New Jersey Coalition of
8 Automotive Retailers; two members of recognized Statewide
9 environmental organizations; one member representing the New Jersey
10 Public Interest Research Group; one member representing the New
11 Jersey Institute of Technology and recommended to the Governor by
12 the President of the New Jersey Institute of Technology; one member
13 representing the American Lung Association of New Jersey; one
14 member representing the Northeast States for Coordinated Air Use
15 Management; and one member representing a zero emission vehicle
16 technology company.

17 b. The Commissioner of Environmental Protection, or the
18 commissioner's designee, shall serve as chairperson of the commission.
19 The commission shall meet at the call of the chairperson.

20 c. Any vacancies in the membership of the commission shall be
21 filled in the same manner as the original appointments were made.

22 d. The members of the commission shall serve without
23 compensation, but may be reimbursed for necessary expenses incurred
24 in the performance of their duties.

25 e. The commission shall be entitled to call to its assistance and
26 avail itself of the services of the employees of any State department,
27 board, bureau, commission or agency, as it may require and as may be
28 available for its purposes, and to employ stenographic and clerical
29 assistance and incur traveling and other miscellaneous expenses as may
30 be necessary in order to perform its duties, within the limits of funds
31 appropriated or otherwise made available to it for its purposes.

32 f. The commission shall evaluate the implementation of Phase II
33 of the California Low Emission Vehicle program as implemented in
34 New Jersey pursuant to subsection a. of section 2 of P.L. , c. (C.)
35 (before the Legislature as this bill). The commission shall study the
36 readiness of zero emission vehicle technology, the economic
37 development opportunities of zero emission vehicle technology, and
38 whether additional State policies are necessary to prepare for the
39 model year 2012 zero emission vehicle requirement of the California
40 Low Emission Vehicle program. In studying these issues, the
41 commission shall review any advice prepared by the independent
42 expert review panel established to advise the California Air Resources
43 Board concerning technology advances made in zero emission vehicle
44 and advanced technology partial zero emission vehicle technologies.
45 The commission shall also consider any proposed or adopted changes
46 made by the California Air Resources Board to the California Low

1 Emission Vehicle program for the 2009 and subsequent model years.
 2 The commission shall also determine whether the incentives provided
 3 by the State pursuant to sections 6 and 7 of P.L. , c. (C.) (before
 4 the Legislature as this bill) are sufficient to encourage the purchase of
 5 zero emission vehicles or qualified hybrid vehicles.

6 g. No later than December 15, 2007, the commission shall submit
 7 a report to the Governor and the Legislature summarizing the study
 8 and review conducted pursuant to subsection f. of this section, and
 9 setting forth recommendations for additional incentives or other State
 10 programs to increase the effectiveness of the implementation of the
 11 California Low Emission Vehicle program in the State, and making a
 12 recommendation as to whether the California Low Emission Vehicle
 13 program implemented pursuant to subsection a. of section 2 of P.L. ,
 14 c. (C.) (before the Legislature as this bill) should continue to be
 15 implemented in the State.]¹

16

17 ¹[6.] 11.¹ (New section) a. Receipts from sales of zero emission
 18 vehicles sold on ¹[and] or¹ after the ¹[date of implementation of
 19 Phase II of the California Low Emission Vehicle program in the State
 20 pursuant to subsection a. of section 2 of P.L. , c. (C.)
 21 (pending before this Legislature as this bill) and before April 15,
 22 2008,] first day of the fourth month following the effective date of
 23 P.L. , c. (C.) (before the Legislature as this bill)¹ are exempt
 24 from the tax imposed under the "Sales and Use Tax Act," P.L.1966,
 25 c.30 (C.54:32B-1 et seq.).

26 b. The Commissioner of Environmental Protection shall certify to
 27 the State Treasurer the make and model of those motor vehicles that
 28 are zero emission vehicles and eligible for the exemption provided
 29 pursuant to subsection a. of this section.

30 c. ¹[For the purposes of] As used in¹ this section, "zero emission
 31 vehicle" means a vehicle certified as a zero emission vehicle
 32 ¹[according] pursuant¹ to the California Air Resources Board zero
 33 emission vehicle standards for the applicable model year ¹, but shall
 34 not include any other type of vehicle that may be delivered by a
 35 manufacturer for sale or lease to satisfy the zero emission vehicle
 36 requirement established by the California Air Resources Board in lieu
 37 of a vehicle that qualifies as a pure zero emission vehicle¹.

38

39 ¹[7. (New section) a. Receipts from sales of qualified hybrid
 40 vehicles sold on or after the first day of the fourth month following the
 41 effective date of P.L. , c. (C.) (before the Legislature as this
 42 bill) and before April 15, 2008, are exempt from the tax imposed under
 43 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

44 b. The Commissioner of Environmental Protection shall certify to
 45 the State Treasurer the make and model of those motor vehicles that
 46 are qualified hybrid vehicles and eligible for the exemption provided

1 pursuant to subsection a. of this section.

2 c. For the purposes of this section, "qualified hybrid vehicle"
3 means a motor vehicle, other than an electric vehicle, which draws
4 propulsion energy from both an internal combustion engine and an
5 energy storage device, and employs a regenerative braking system to
6 recover waste energy to charge the energy storage device that is
7 providing propulsion energy.]¹

8

9 ¹[8.] 12.¹ The following are repealed:

10 Sections 1 through ¹[5] 4¹ inclusive of P.L.1993, c.69 (C.26:2C-
11 8.6 through ¹[26:2C-8.10] 26:2C-8.9¹); and

12 Sections 7 and 8 of P.L.1993, c.69 (C.26:2C-8.12 and 26:2C-
13 8.13).

14

15 ¹[9.] 13.¹ This act shall take effect immediately.

16

17

18

19

20 Requires DEP to implement California Low Emission Vehicle program
21 beginning on January 1, 2009 under certain circumstances; establishes
22 review commission; and establishes incentive for purchase or lease of
23 zero emission vehicles.

SENATE, No. 2351

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED FEBRUARY 27, 2003

Sponsored by:

Senator JOHN O. BENNETT

District 12 (Mercer and Monmouth)

Senator JOHN H. ADLER

District 6 (Camden)

Co-Sponsored by:

Senators Allen and Turner

SYNOPSIS

Establishes Clean Car Division to administer Clean Car Program in DOT.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/9/2003)

1 AN ACT establishing a vehicle emissions program and supplementing
2 Title 27 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Notwithstanding any other provision of law, rule or regulation
8 to the contrary:

9 a. There is hereby established in the Department of Transportation
10 a Clean Car Division to administer a Clean Car Program to effectuate
11 the State's progress towards achieving on-time emission reductions
12 and to attain compliance with the National Ambient Air Quality
13 Standards as required pursuant to the federal "Clean Air Act
14 Amendments of 1990," 40 U.S.C. s.7401 and ss.7403 et seq. This
15 division shall implement, in consultation with the Department of
16 Environmental Protection, Phase II of the California Low Emission
17 Vehicle program, the second phase of the low emission vehicle
18 program being implemented in California, pursuant to the requirements
19 of the federal "Clean Air Act," 42 U.S.C. s. 7401 et seq.

20 b. The Commissioner of Transportation in consultation with the
21 Commissioner of Environmental Protection shall prepare and submit,
22 on an annual basis, beginning one year from the effective date of this
23 act, to the Chair of the Senate Transportation Committee and the
24 Chair of the Assembly Transportation Committee, or their successors
25 as designated respectively by the President of the Senate and the
26 Speaker of the General Assembly, a written report, including but not
27 limited to, the status of implementation of the Clean Car program,
28 effectiveness of the program and any information and
29 recommendations deemed necessary to the report.

30
31 2. The Commissioner of Transportation shall adopt, pursuant to
32 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
33 seq.), any rules and regulations necessary to effectuate the purposes
34 of this act.

35
36 3. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill establishes, in DOT, a Clean Car Division to administer a
42 Clean Car Program to implement Phase II of the California Low
43 Emission Vehicle program, the second phase of the low emission
44 vehicle program being implemented in California, in consultation with
45 the Department of Environmental Protection.

46 This bill further requires that the Commissioner of Transportation

S2351 BENNETT, ADLER

3

1 in consultation with the Commissioner of Environmental Protection
2 prepare and submit, on an annual basis, to the Chair of the Senate
3 Transportation Committee and the Chair of the Assembly
4 Transportation Committee, a written report, including but not limited
5 to, the status of implementation of the Clean Car program,
6 effectiveness of the program and any information and
7 recommendations deemed necessary to the report.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 2351**

STATE OF NEW JERSEY

DATED: DECEMBER 11, 2003

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 2351.

This substitute bill requires the Department of Environmental Protection (DEP) to implement Phase II of the California Low Emission Vehicle program in New Jersey beginning two motor vehicle model years after the date on which the bill takes effect as law, and directs the Commissioner of Environmental Protection to adopt the rules and regulations necessary for such implementation.

The "Phase II" program refers to the second phase of the low emission vehicle program being implemented in the State of California, pursuant to the requirements of the federal "Clean Air Act." Section 7507 of the federal "Clean Air Act Amendments of 1990," 42 U.S.C. s. 7403 et seq., requires that a state adopting the California program provide a minimum of two model years' lead time between adoption and implementation of the program. For the purposes of enforcing this section of federal law, the United States Environmental Protection Agency (EPA) considers January 2 of each year the start of the model year for that year.

The bill requires the Commissioner of Environmental Protection to provide to the Senate Environment Committee and the Assembly Environment and Solid Waste Committee written notice and a summary of any proposed major substantive change to Phase II of the California Low Emission Vehicle program that necessitates a corresponding change to the program in New Jersey.

The bill establishes a 14-member low emission vehicle review commission. The commission would include the Commissioner of Environmental Protection, who would serve as chair, the Director of the Environmental and Occupational Health Sciences Institute at Rutgers University, the Chief Administrator of the New Jersey Motor Vehicle Commission, and 11 public members from the automobile manufacturing and retailing sectors and environmental organizations, and others with concern and expertise in the field of air quality management. The commission would meet at the call of the chair.

The commission is charged with evaluating New Jersey's implementation of the Phase II program under the bill. The

commission is also charged with studying the readiness of zero emission vehicle technology, the economic development opportunities of zero emission vehicle technology, and whether additional State policies are necessary to prepare for the model year 2012 zero emission vehicle requirement of the California Low Emission Vehicle program. In studying these issues, the commission is directed to review any advice prepared by the independent expert review panel established to advise the California Air Resources Board concerning technology advances made in zero emission vehicle and advanced technology partial zero emission vehicle technologies, and also to consider any proposed or adopted changes made by the California Air Resources Board to the California Low Emission Vehicle program for the 2009 and subsequent model years. In addition, the commission is to determine whether the incentives provided by the State are sufficient to encourage the purchase of zero emission vehicles and qualified hybrid vehicles. No later than December 15, 2007, the commission is to submit to the Governor and the Legislature a report summarizing the study and review that it has conducted, and setting forth (i) any recommendations for additional incentives or other State efforts to increase the effectiveness of the implementation of the California Low Emission Vehicle program in the State, and (ii) a recommendation whether the California Low Emission Vehicle program should continue to be implemented in New Jersey.

The bill provides an exemption from the State sales and use tax for (1) sales of zero emission vehicles (which includes zero emission vehicles purchased for lease) beginning on the date of implementation of the Phase II program in New Jersey, and (2) sales of qualified hybrid vehicles beginning on the first day of the fourth month after the bill takes effect as law. These tax exemptions would cease to apply for sales of the two types of vehicles on and after April 15, 2008.

The bill amends and repeals sections of P.L.1993, c.69, which established New Jersey's existing low emission vehicle program under national standards as required under the "Clean Air Act", to conform to the adoption of the California program under the bill.

The provisions of the bill directing implementation of the Phase II program would expire on April 15, 2008, unless reauthorized by law either by December 15, 2007, or within 120 days of the commission's submission of its report, whichever is later.

COMPARISON OF SUBSTITUTE

The substitute bill differs from the legislation as referred to the committee by (1) vesting responsibility for implementation of the Phase II program in the DEP, rather than in a new "Clean Car Division" within the Department of Transportation, (2) providing for notification to the legislative committees with primary jurisdiction over environmental legislation regarding changes in the Phase II program, (3) creating the low emission vehicle review commission, (4) deleting a requirement that the Commissioner of Transportation annually report

to the Legislature on the status of the State's implementation of the Clean Car program, and providing instead for the low emission vehicle review commission to submit the report described above on technology readiness, necessity of State policy innovation, and recommendations for other steps to further implementation of the program, (5) revising and repealing provisions of the 1993 law creating the existing State low emission vehicle program in accordance with the adoption of the Phase II program under the bill, (6) adding the sales tax exemptions for sales of zero emission vehicles and qualified hybrid vehicles, and (7) providing for expiration of the program implementation provisions unless those provisions are reauthorized by law.

FISCAL IMPACT

Information has not been made available from which to develop a reasonable estimate of the cost of the program established under this bill. A general idea of future costs can be gained by considering the model on which the new program the bill would be based, the California Low Emission Vehicle Program (Phase II). The bill implies a significant, ongoing expenditure by the affected agencies, depending on the level of effort and effectiveness of the program. No ongoing revenue source for such expenditures is identified in the legislation.

Background: the California Low Emission Vehicle Program. The California Low Emission Vehicle Program (CLEVP) is administered by the California Air Resources Board (CARB). The fact that this board has assumed a number of missions beyond the CLEVP makes its operations imperfect as an analogy to the proposed New Jersey program, but the efforts of CARB in the enforcement of CLEVP offer the best data available regarding the program activities that may be expected to require funding. The following information relies largely on research by the California Legislative Analysts Office (LAO).

The CARB has responsibilities as follows:

1. Sets and enforces emission standards for motor vehicles, fuels, and consumer products.
2. Sets health-based air quality standards.
3. Conducts research.
4. Monitors air quality.
5. Identifies and sets control measures for toxic air contaminants.
6. Provides compliance assistance for businesses.
7. Produces education and outreach programs and materials.
8. Oversees and assists local air quality districts which regulate most nonvehicular sources of air pollution.

Cost of managing the California LEV program. CARB is the sub-department responsible for implementation of regulations regarding health-based air quality standards. Its cost in FY 2003 was \$133,605,000, managing programs that affect 26.7 million driving-aged residents. This is a per-capita cost of \$5 per driving-aged resident. New Jersey has 6.7 million driving aged residents. If

CARB's program maturation and level of effort were matched in New Jersey, that would imply a cost of \$32 million to \$33 million annually.

Tax exemption. Apart from the administrative costs of implementing the program, the sales tax exemption for zero emission vehicles and qualified hybrid vehicles under the legislation may be expected to reduce State revenue, but no estimate is presently available for the amount of this revenue reduction.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 2351

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2003

The Senate Transportation Committee reports favorably Senate Bill No. 2351 with committee amendments.

This amended bill establishes, in DOT, a Clean Car Division to administer a Clean Car Program to implement Phase II of the California Low Emission Vehicle program, the second phase of the low emission vehicle program being implemented in California, in consultation with the Department of Environmental Protection.

This bill further requires that the Commissioner of Transportation in consultation with the Commissioner of Environmental Protection prepare and submit, on an annual basis, to the Chair of the Senate Transportation Committee and the Chair of the Assembly Transportation Committee, a written report, including but not limited to, the status of implementation of the Clean Car program, effectiveness of the program and any information and recommendations deemed necessary to the report.

The bill appropriates \$250,000 to the DOT from the General Fund to implement the program.

The committee amended the bill to provide for the \$250,000 appropriation.

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 2351

with Senate Floor Amendments
(Proposed By Senator BENNETT)

ADOPTED: JANUARY 8, 2004

This amendment requires the Department of Environmental Protection (DEP) to implement the California Low Emission Vehicle (LEV) program in New Jersey beginning on January 1, 2009 rather than 2 model years after the bill's enactment.

These amendments require the DEP Commissioner to establish a zero emission vehicle credit bank to provide manufacturers with vehicle equivalent credits for any partial zero emission vehicle or advanced technology partial zero emission vehicle sold in the State on or after January 1, 1999 and through December 31, 2008 in order to allow manufacturers to earn and bank credits for vehicles produced and sold in the State prior to January 1, 2009.

The amendments make changes to the Low Emission Vehicle Review Commission. The amendments establish a 15 member commission, to be chaired by the Director of the Environmental and Occupational Health Sciences Institute at Rutgers. The commission is charged with studying and reviewing: the development of hydrogen fuel cell technology, the infrastructure required for its use in motor vehicles, the development of that infrastructure, and the availability of hydrogen fuel cell vehicles to the public; the advances made in zero emission vehicle and advanced technology partial zero emission vehicle technologies; any advice prepared by the independent expert review panel established to advise the California Air Resources Board (CARB) concerning advances made in zero emission vehicle and advanced technology partial zero emission vehicle technologies; and any proposed or adopted changes made by CARB to the California LEV program.

These amendments also provide that if CARB has not acted prior to the start of the 2008 model year to revise the requirements under the alternative compliance path for the amount of fuel cell vehicles required by a manufacturer beginning for the 2012 model year from a state-specific requirement to a nationwide requirement, the commission may recommend that the State should not implement the California LEV program.

The amendments require the commission to make a determination as to whether the incentives provided by the bill are sufficient to encourage the purchase of zero emission vehicles. Within one year after organizing, the commission is directed to submit a report to the

Governor, the DEP Commissioner, and the Legislature summarizing the activities and findings of the commission to date, and setting forth any recommendations for additional incentives determined to be necessary to encourage the purchase of zero emission vehicles or advanced technology partial zero emission vehicles, and any recommendations that would increase the effectiveness of the implementation of the California LEV program in the State.

The amendments charge the commission with evaluating the feasibility of the zero emission vehicle requirement of the California LEV program and determining whether the requirement is achievable in this State beginning on January 1, 2009. This evaluation is to include an examination of zero emission vehicle technology, price, performance, consumer acceptability, and implementation issues relating to the use of zero emission vehicles in the State. "Zero emission vehicle requirement" is defined in the bill as including zero emission vehicles and any percentages or numbers of advanced technology partial zero emission vehicles or partial zero emission vehicles that may be used by a manufacturer to satisfy the zero emission vehicle requirement established by CARB in lieu of vehicles that meet the zero emission vehicle standards.

The commission is to make a recommendation as to whether the California LEV program should be implemented in the State or if the State should instead continue with implementation of the National LEV program based on whether CARB has acted to revise certain requirements under the alternative compliance path. If the commission determines that the California LEV program should be implemented in the State, the commission is to further recommend whether the zero emission vehicle requirements of the program should be implemented in the State. The commission is to submit a final report to the Governor, the Legislature, and the DEP Commissioner no later than January 1, 2008.

The amendments provide that if the commission recommends in its final report that the State should not implement the California LEV program and instead continue with implementation of the National LEV program, the department shall implement the California Low Emission Vehicle program unless the Legislature by passage of a concurrent resolution directs the department to implement the National LEV program. The amendments further provide if the commission recommends in its report that the State should implement the California LEV program without the zero emission vehicle requirement, then the commissioner may make a determination to accept or reject the recommendation of the commission concerning the implementation of the zero emission vehicle requirement. The amendments provide the DEP Commissioner with the authority to adopt temporary rules and regulations as necessary to implement these provisions.

The amendments change the date of the exemption from State sales and use tax of zero emission vehicles, which includes zero emission

vehicles purchased for lease, to the first day of the fourth month after the effective date of the bill. Further the amendments delete the provision authorizing an exemption from State sales and use tax for the receipts from the sale of qualified hybrid vehicles. Finally, the amendments make numerous technical changes to the bill.

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2351
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JANUARY 13, 2004

SUMMARY

Synopsis: Requires DEP to implement California Low Emission Vehicle program; establishes review commission; establishes sales tax exemption for purchase or lease of zero emission vehicles and qualified hybrid vehicles; establishes sunset provision for California Low Emission Vehicle program.

Type of Impact: Revenue loss, General Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Years 2005-2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
State Cost	\$421,000-\$842,000 per year	\$39,300,000	\$31,200,000

- * The fiscal estimate only evaluates the impact of the sales and use tax exemption for new zero emission and hybrid vehicles, and does not address any impact the bill might leave on state administrative costs.
- * The fiscal estimate considers hybrid vehicles only, as zero emission vehicles are presently not available.
- * In line with the proposed mandate under the California program, OLS assumes that hybrid car sales will comprise four percent of all new car sales in FY 2007 and FY 2008.
- * The sales and use tax exemption expires on April 15, 2008, so that the mandate that four percent of automotive dealers' sales fleets comprise zero emission or hybrid vehicles would be in effect for about 18 months.

BILL DESCRIPTION

Senate Committee Substitute for Senate Bill No.2351 of 2003 substitutes the more stringent Phase II of the California Low Emission Vehicle program for New Jersey's existing low emission vehicle program under the federal "Clean Air Act" beginning two motor vehicle model years after the bill's effective date. The California program sets more ambitious pollution limits on all new vehicles sold and it requires that four percent of automotive dealers' sales fleet comprise zero emission or hybrid vehicles by 2006.

The bill charges the Department of Environmental Protection with the implementation of the program. Furthermore, it establishes a 14-member low emission vehicle review commission to evaluate New Jersey's implementation of the Phase II program and to study the economic development opportunities of zero emission vehicle technology as well as the eventual need for additional State policies to prepare for the program's model year 2012 zero emission vehicle requirement. In addition, the commission determines whether the State's pecuniary incentives suffice to encourage the purchase of zero emission and qualified hybrid vehicles.

As an incentive, the bill exempts from the State sales and use tax sales of zero emission vehicles beginning on the date of implementation of the Phase II program in New Jersey and sales of qualified hybrid vehicles beginning on the first day of the fourth month after the bill takes effect. These tax exemptions expire on April 15, 2008.

The bill's provisions expire on April 15, 2008, unless reauthorized by law either by December 15, 2007, or within 120 days of the commission's submission of its report, whichever is later.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

In this fiscal estimate, the Office of Legislative Services (OLS) only analyzes the fiscal impact of the bill's sales and use tax exemption. While OLS believes that the administrative cost of the program may be significant, uncertainty about the nature and magnitude of the administrative process makes it infeasible to make a cost estimate for administration.

OLS estimates that State sales and use tax revenue would decline by \$421,000 in FY 2004 if the sales and use tax exemption for zero emission and qualified hybrid vehicles were already in effect. OLS further anticipates that this bill would lower State sales and use tax revenue by \$421,000 to \$842,000 per year in FY 2005 and FY 2006 and by \$39.3 million in FY 2007 and by \$31.2 million in FY 2008. The exemption would have no effect after that year.

To gauge the anticipated cost of the exemption, OLS multiplies the expected number of hybrid cars sold per fiscal year by the expected average price per hybrid car and by the current sales and use tax rate of six percent. Because zero emission vehicles are currently not being marketed, OLS ignores them due to a lack of meaningful sales data.

The above sales and use tax exemption expires on April 15, 2008, while the requirements of the California program are expected to apply to the last 18 months of this period. During those 18 months, the bill mandates that four percent of an automotive dealer's new car fleet be hybrid cars. For this fiscal estimate, OLS assumes that sales of hybrids will reflect this mandated target.

The list prices of base hybrid models currently on the market--Toyota Prius, Honda Civic Hybrid, and Honda Insight--start at around \$20,000, so that OLS assumes that the average hybrid sells for \$23,000. For fiscal years 2007 and 2008, this average price estimate seems to underestimate the real expected price, but since the hybrid car market is just nascent, OLS refrains from projecting its trends. For example, manufacturers intend to introduce hybrid models prior to FY 2007 that would likely cost more than \$23,000.

To estimate the number of hybrids sold in New Jersey in fiscal years 2004 through 2008, OLS uses New Jersey Coalition of Automotive Retailers data. Since the figures are for calendar years 2003 and 2007, OLS assumes that the number of hybrid sold in a fiscal and a calendar year will not differ significantly. Moreover, OLS assumes that the number of hybrids sold will double until FY 2006, the last year not subject to the mandated target, and that the number of hybrids sold in fiscal years 2007 and 2008 will be identical. Consequently, the fiscal estimate is based on the assumption that 305 hybrids will be sold in FY 2004, 610 in FY 2006, 28,500 in FY 2007, and 22,600 in FY 2008. The FY 2008 figure reflects the April 15, 2008 expiration date for the sales and use tax exemption, which is 2.5 months prior to the end of the fiscal year.

Section: *Revenue, Finance and Appropriations*

Analyst: *Thomas Koenig*
Assistant Fiscal Analyst

Approved: *Frank W. Haines III*
Assistant Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 3393

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED FEBRUARY 27, 2003

Sponsored by:

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblyman SEAN T. KEAN

District 11 (Monmouth)

SYNOPSIS

Requires DEP to implement Phase II of California Low Emission Vehicle program in the State in 2006.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning implementation of the California Low Emission
2 Vehicle program, and supplementing P.L.1954, c.212 (C.26:2C-
3 1 et seq.), and amending and repealing various sections
4 of P.L.1993, c.69.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. (New section) The Legislature finds that the implementation of
10 the National Low Emission Vehicle program is a key component of the
11 State's efforts to achieve on-time emissions reductions and to attain
12 compliance with the National Ambient Air Quality Standards, as
13 required pursuant to the federal "Clean Air Act Amendments of 1990,"
14 42 U.S.C.s.7403 et seq.; that the State's chances for reaching
15 attainment of the National Ambient Air Quality Standards may require
16 further, more stringent reductions in emissions of pollutants to achieve
17 the required goals; that Phase II of the California Low Emission
18 Vehicle program provides for greater reductions in pollutants than the
19 National Low Emission Vehicle program; and that the State has
20 committed to implementing the National Low Emission Vehicle
21 program until 2006 but may be able to implement the California Low
22 Emission Vehicle program after that.

23 The Legislature therefore determines that it is in the best interest of
24 the State and all the states in the ozone transport region for New
25 Jersey to implement Phase II of the California Low Emission Vehicle
26 program beginning in calendar year 2006.

27

28 2. (New section) a. Notwithstanding any provision of a State
29 Implementation Plan submitted by the Department of Environmental
30 Protection to the United States Environmental Protection Agency
31 pursuant to the requirements of the federal "Clean Air Act
32 Amendments of 1990," 42 U.S.C.s.7403 et seq., to the contrary, the
33 Department of Environmental Protection shall implement Phase II of
34 the California Low Emission Vehicle program in the State beginning
35 in calendar year 2006.

36 b. For the purposes of this act, "Phase II of the California Low
37 Emission Vehicle program" means the second phase of the low
38 emission vehicle program being implemented in California, pursuant to
39 the requirements of the federal "Clean Air Act," 42 U.S.C.s.7401 et
40 seq

41 c. The Commissioner of Environmental Protection shall adopt,
42 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
43 (C.52:14B-1 et seq.), any rules and regulations necessary to implement

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 Phase II of the California Low Emission Vehicle program in the State
2 beginning in calendar year 2006.

3

4 3. Section 6 of P.L.1993, c.69 (C.26:2C-8.11) is amended to read
5 as follows:

6 6. a. The department shall adopt, pursuant to the "Administrative
7 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
8 regulations implementing the following mandated air pollution control
9 measures identified in the federal Clean Air Act and consistent with
10 any rules, regulations, or guidelines that may be promulgated therefor
11 by the United States Environmental Protection Agency:

12 [a.] (1) Enhanced vehicle inspection and maintenance program;

13 [b.] (2) Correction of reasonably available control technology
14 rules for volatile organic compounds;

15 [c.] (3) Reasonably available control technology rules for volatile
16 organic compounds;

17 [d.] (4) Reasonably available control technology rules for oxides
18 of nitrogen;

19 [e.] (5) New source review regulations for volatile organic
20 compounds, oxides of nitrogen, and carbon monoxide;

21 [f.] (6) Criteria and procedures for determining conformity
22 between the State implementation plan and transportation plans; and

23 [g.] (7) Use in ozone nonattainment areas of federal reformulated
24 gasoline that meets the requirements of subsection (k) of 42 U.S.C.
25 s.7545 for sale and use in states other than the State of California.

26 b. As used in this section:

27 "Department" means the Department of Environmental Protection;

28 "Federal Clean Air Act" means the federal "Clean Air Act," 42
29 U.S.C. s.7401 et seq., and any subsequent amendments or supplements
30 to that act; and

31 "State implementation plan" means the State implementation plan
32 for national ambient air quality standards adopted for New Jersey
33 pursuant to the federal Clean Air Act.

34 (cf: P.L.1993, c.69, s.6)

35

36 4. Section 10 of P.L.1993, c.69 (C.26:2C-8.14) is amended to read
37 as follows:

38 10. a. The Department of Environmental Protection, in
39 consultation with the [Department] Commissioner of Transportation
40 and the Division of Motor Vehicles in the Department of [Law and
41 Public Safety] Transportation , shall prepare and submit on a
42 semi-annual basis to the Senate Environment Committee and the
43 Assembly Environment and Solid Waste Committee, or their
44 successors as designated respectively by the President of the Senate
45 and the Speaker of the General Assembly, a written report that shall:

- 1 (1) summarize the State implementation plan and any amendments,
2 alterations, or supplements to that plan that have been made or
3 proposed since the last semi-annual report was issued; and
- 4 (2) analyze the progress and effectiveness of the State
5 implementation plan with respect to ensuring that the State shall be,
6 and shall remain, in compliance with all applicable requirements,
7 standards, and deadlines set forth in the federal Clean Air Act [; and
- 8 (3) summarize the status of the low emission vehicle program in
9 New Jersey, if one is implemented in the State, and the status of
10 similar programs in the states of California, Delaware, Maryland, New
11 York, and Pennsylvania].
- 12 b. [The Department of Environmental Protection shall prepare and
13 submit to the Governor, the Legislature, and the Senate Environment
14 Committee and the Assembly Environment Committee, or their
15 successors as designated respectively by the President of the Senate
16 and the Speaker of the General Assembly, and release to the public,
17 (1) by May 30, 1993, a list of air pollution control strategies,
18 measures, and options that are optional under federal law, for
19 consideration and possible enactment into law by the Legislature, and
20 (2) within 30 days after the date of enactment of this act, a
21 comprehensive emission inventory of volatile organic compounds and
22 oxides of nitrogen for the State, which shall include emission inventory
23 data for the 1990 calendar year to the maximum extent possible.]
24 Deleted by amendment, P.L. , c. (now before the Legislature as this
25 bill).
- 26 c. The Department of Environmental Protection, within 30 days of
27 a proposed substantive change to the low emission vehicle program in
28 the State of California that [in the opinion of the department shall
29 necessitate] necessitates a corresponding substantive change to the
30 low emission vehicle program in New Jersey [, if such a program is
31 implemented in the State] adopted pursuant to section 2 of P.L. ,
32 c. (C.) (now before the Legislature as this bill) , shall provide
33 written notice and a summary of the proposed substantive change to
34 the [California low emission vehicle program to the] Senate
35 Environment Committee and the Assembly Environment and Solid
36 Waste Committee, or their successors as designated respectively by
37 the President of the Senate and the Speaker of the General Assembly.
- 38 d. As used in this section:
- 39 "Federal Clean Air Act" means the federal "Clean Air Act," 42
40 U.S.C.s.7401 et seq., and any subsequent amendments or supplements
41 to that act; and
- 42 "State implementation plan" means the State implementation plan
43 for national ambient air quality standards adopted for New Jersey
44 pursuant to the federal Clean Air Act.
45 (cf: P.L.1993, c.69, s.10)

- 1 5. The following are repealed:
2 Sections 1 through 5 inclusive of P.L.1993, c.69 (C.26:2C-8.6
3 through 26:2C-8.10); and
4 Sections 7 and 8 of P.L.1993, c.69 (C.26:2C-8.12 and 26:2C-8.13).
5
6 6. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill requires the Department of Environmental Protection to
12 implement Phase II of the California Low Emission Vehicle program
13 in the State beginning in calendar year 2006, and directs the
14 Commissioner of Environmental Protection to adopt the rules and
15 regulations necessary for such implementation.

16 The bill also amends and repeals sections of P.L.1993, c.69 to
17 conform to the provisions of this bill.

ASSEMBLY, No. 2439

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JUNE 13, 2002

Sponsored by:

Assemblyman MATT AHEARN

District 38 (Bergen)

Co-Sponsored by:

**Assemblywoman Perez-Cinciarelli, Assemblymen Guear, R.Smith,
Diegnan, Barnes, Van Drew and Hackett**

SYNOPSIS

Requires DEP to implement Phase II of California Low Emission Vehicle program in calendar year 2006.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/14/2003)

1 AN ACT concerning the implementation of Phase II of the California
2 Low Emission Vehicle program and supplementing P.L.1954, c.212
3 (C.26:2C-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. The Legislature finds that the National Low Emission Vehicle
9 program is currently in effect in the State; that the implementation of
10 this program is a key component of the State's efforts to achieve on-
11 time emissions reductions and to attain compliance with the National
12 Ambient Air Quality Standards, as required pursuant to the federal
13 "Clean Air Act Amendments of 1990," 42 U.S.C.s.7403 et seq.; that
14 the State's chances for reaching attainment of the National Ambient
15 Air Quality Standards may require further, more stringent reductions
16 in emissions of pollutants to achieve the required goals; that the
17 California Low Emission Vehicle program, and specifically Phase II of
18 the program, provides for greater reductions in pollutants; and that the
19 State has committed to implementing the National Low Emission
20 Vehicle program until 2006 but may be able to implement the
21 California Low Emission Vehicle program after that.

22 The Legislature therefore determines that it is in the best interest of
23 the State and all the states in the ozone transport region for New
24 Jersey to implement Phase II of the California Low Emission Vehicle
25 program beginning in calendar year 2006.
26

27 2. a. Notwithstanding the provisions of P.L.1993, c.69 (C.26:2C-
28 8.6 et seq.), or any rule or regulation adopted pursuant thereto, or any
29 provision of a State Implementation Plan submitted by the Department
30 of Environmental Protection to the United States Environmental
31 Protection Agency pursuant to the requirements of the federal "Clean
32 Air Act Amendments of 1990," 42 U.S.C.s.7403 et seq., to the
33 contrary, the Department of Environmental Protection shall implement
34 Phase II of the California Low Emission Vehicle program in the State
35 beginning in calendar year 2006.

36 b. The Commissioner of Environmental Protection shall adopt,
37 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
38 (C.52:14B-1 et seq.), any rules and regulations necessary to implement
39 Phase II of the California Low Emission Vehicle program as required
40 by subsection a. of this section.

41 c. For the purposes of this act, "Phase II of the California Low
42 Emission Vehicle program" means the second phase of the low
43 emission vehicle program being implemented in California, pursuant to
44 the requirements of the federal "Clean Air Act," 42 U.S.C.s.7401 et
45 seq.

1 3. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill requires the Department of Environmental Protection to
7 implement Phase II of the California Low Emission Vehicle program
8 in the State beginning in calendar year 2006. This bill further directs
9 the Commissioner of Environmental Protection to adopt the rules and
10 regulations necessary to implement Phase II of the California Low
11 Emission Vehicle program in New Jersey beginning in calendar year
12 2006.

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 3393 and 2439

STATE OF NEW JERSEY

DATED: MARCH 3, 2003

The Assembly Environment and Solid Waste Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 3393 and 2439.

This committee substitute for Assembly Bill Nos. 3393 and 2439 requires the Department of Environmental Protection to implement Phase II of the California Low Emission Vehicle program in New Jersey beginning in calendar year 2006, and directs the Commissioner of Environmental Protection to adopt the rules and regulations necessary for such implementation. "Phase II of the California Low Emission Vehicle program" means the second phase of the low emission vehicle program being implemented in the State of California, pursuant to the requirements of the federal "Clean Air Act."

The committee substitute also requires the Commissioner of Environmental Protection to provide to the Senate Environment Committee and the Assembly Environment and Solid Waste Committee written notice and a summary of any proposed substantive change to Phase II of the California Low Emission Vehicle program that necessitates a corresponding change to the program in New Jersey.

This committee substitute also amends and repeals sections of P.L.1993, c.69 to conform to the provisions of this substitute.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 3393 and 2439
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JUNE 23, 2003

SUMMARY

Synopsis: Requires DEP to implement Phase II of California Low Emission Vehicle program in the State in 2006.

Type of Impact: None

Agencies Affected: Department of Environmental Protection

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost		None	

- ! The committee substitute requires the Department of Environmental Protection (DEP) to implement Phase II of California Low Emission Vehicle program in the State in 2006.
- ! The DEP is required to adopt any rules and regulations necessary to implement Phase II, which provides for greater reductions in vehicle pollutants than the National Low Emission Vehicle program.
- ! The National Low Emission Vehicle program is a key component of the State's efforts to comply with National Ambient Air Quality Standards, which the State is committed to following until 2006.
- ! The Office of Legislative Services (OLS) estimates that no additional funding or costs will be needed or incurred by the State as a result of the committee substitute's enactment.

BILL DESCRIPTION

Assembly Committee Substitute for Assembly Bill Nos. 3393 and 2439 of 2003 requires the Department of Environmental Protection (DEP) to implement Phase II of the California Low Emission Vehicle program in New Jersey beginning in 2006, and directs the Commissioner of Environmental Protection to adopt the rules and regulations necessary for such implementation. "Phase II" of the cited program refers to the phase of the low emission vehicle program now being implemented in California, pursuant to the federal "Clean Air Act Amendments of 1990."

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that no additional funding or costs will be needed or incurred by the DEP as a result of the committee substitute's enactment because the adoption and implementation of the subject regulatory changes can be adequately managed with existing departmental resources.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

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Press Releases

PO BOX 004
TRENTON, NJ 08625

Contact: Micah Rasmussen
609-777-2600

RELEASE: January 14, 2004

[Previous Screen](#)

Governor Signs "Clean Car Bill" Into Law

First step in reducing air pollution by 20 percent

(TRENTON)—Governor James E. McGreevey signed legislation today that will establish the "California Clean Car" emissions standards to automobiles sold in New Jersey. The law's enactment comes on the heels of the Governor's State of the State announcement to "Build a Better New Jersey" by reducing air pollution by 20 percent over the next 10 years.

"Yesterday, I set a goal of reducing air pollution by 20 percent over the next decade. Today, with the signing of the Clean Car bill, we are taking the first concrete step toward meeting that goal.

"Automobiles in New Jersey contribute 40 percent of the pollution that diminishes our air quality, and more than 80 percent of the airborne carcinogens. If you need proof, look at the black soot that covers the trucks that pass you on the highway. We must do all we can to protect the air we breathe, and build a better New Jersey."

The bill signed today requires the Department of Environmental Protection to begin implementing in 2009 the California Low Emission Vehicle (LEV) program, which requires reductions in tailpipe and evaporative emissions of hydrocarbons and nitrogen oxides for all passenger cars, light-duty trucks and sport utility vehicles.

"Once again, Governor McGreevey has kept his promise to provide cleaner air for New Jersey's families," DEP Commissioner Bradley M. Campbell said. "Clean cars will mean healthier air, an important part of Governor McGreevey's commitment to meet tougher public health standards for soot and smog."

"This is a great victory for anyone who breaths air in New Jersey. Adopting this bill in New Jersey represents the largest step forward on clean air policy in decades," said Dena Mottola, Executive Director of NJ PIRG. "We only have to look at the traffic in our communities and the highways that surround us to understand how profoundly pollution from automobiles contribute to our air pollution problem in New Jersey."

The Governor's action today is expected to reduce air toxins by as much as 20 percent more

than federal emission standards. Combined, the stricter standards and the promotion of cleaner vehicles will reduce smog by 19 percent by the year 2020.

When it goes into effect in January 2009, the new emissions standards will require carmakers to produce approximately 40,000 gas electric hybrid cars and 128,000 super clean gasoline cars. For manufacturers that are already working towards these goals, the DEP will provide credits for cars created between 1999 and 2009.

The new law also creates the Low Emission Vehicle Review Commission, a 15-member panel, including environmentalists and auto industry representatives, which will determine if the production requirement under the California program is achievable in New Jersey, and if the incentives for production of partial zero-emissions vehicles are sufficient. In addition, the Commission will study and review any advice prepared by the independent expert review panel established for the California Air Resources Board (CARB), and any changes they propose or adopt for the California LEV program.

Zero emission vehicles, including those bought for lease, will also be exempt from State sales tax and use tax under the new law.

Air pollution is the third most serious health factor in the State. It is estimated that air pollution causes approximately 2,300 to 5,400 premature deaths a year, and is the largest source of carcinogens contributing to the State's growing asthma problem, heart disease and bronchitis among children and seniors. Last month, the Environmental Protection Agency announced that seven of New Jersey's counties rated among the 25 worst in the nation for air toxics, emitted primarily by cars and trucks.

The legislation, S2351/A3393, was sponsored by Senators John Adler (D-Camden) and John Bennett (R-Monmouth), Assemblymen Reed Gusciora (D-Mercer), John McKeon (D-Essex), Sean Kean (R-Monmouth), and Matt Ahearn (G-Bergen).

"Today is a great day for New Jersey air and the nine million people who breathe it," said Adler. "Cleaner cars in New Jersey means better public health in New Jersey. I'm looking forward to far fewer hospital visits, pediatric asthma cases, and deaths from lung disease in our state."

"We've put the key in the ignition, and New Jersey will be at a new milestone in environmental air quality standards," said Gusciora. "Auto emissions certainly have an adverse effect on the environment and people's health. In a state as densely populated as New Jersey, restricting harmful, volatile organic compound emissions from cars and trucks will go a long way toward improving our air quality."

"This is an historic piece of legislation that will protect children and the elderly now, and the health of future generations in New Jersey," said McKeon. "Providing tax incentives for purchases of 'clean' cars will help the environment and motorists' pocketbooks. Anything we can do to clean up our air is a step in the right direction for New Jerseyans."

The Governor's action today compliments the environmental agenda he defined in his State of the State address yesterday. The Governor set a goal to reduce soot and smog air pollution by 20 percent over the next decade, asked the Legislature to set new laws that will reduce the impact of diesel emissions on our air quality, and said he would set the strongest limit on the mercury and arsenic that taints our water and air.