



House of Representatives

General Assembly

File No. 299

February Session, 2022

Substitute House Bill No. 5381

House of Representatives, April 5, 2022

The Committee on Transportation reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE FEDERAL CLEAN AIR ACT FEE ON MOTOR VEHICLE REGISTRATION.

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

1 Section 1. Subsection (a) of section 14-49b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2022*):

4 (a) (1) For each new registration or renewal of registration of any
5 motor vehicle with the Commissioner of Motor Vehicles pursuant to this
6 chapter, the person registering such vehicle shall pay to the
7 commissioner a fee of fifteen dollars for registration for a triennial
8 period, ten dollars for registration for a biennial period and five dollars
9 for registration for an annual period, except that any individual who is
10 sixty-five years of age or older on or after January 1, 1994, may, at the
11 discretion of such individual, pay the fee for a one-year period if such
12 individual obtains a one-year registration under subsection (a) of
13 section 14-49. The provisions of this subsection shall not apply to any
14 motor vehicle that is not self-propelled, that is electrically powered, or

15 that is exempted from payment of a registration fee. This fee may be
 16 identified as the "federal Clean Air Act fee" on any registration form
 17 provided by the commissioner. Payments collected pursuant to the
 18 provisions of this section shall be deposited as follows: [(1)] (A) Fifty-
 19 seven and one-half per cent of such payments collected shall be
 20 deposited into the Special Transportation Fund established pursuant to
 21 section 13b-68, and [(2)] (B) forty-two and one-half per cent of such
 22 payments collected shall be deposited into the [General Fund] federal
 23 Clean Air Act account established pursuant to subdivision (2) of this
 24 subsection. The fee required by this subsection is in addition to any
 25 other fees prescribed by any other provision of this title for the
 26 registration of a motor vehicle. No part of the federal Clean Air Act fee
 27 shall be subject to a refund under subsection (z) of section 14-49.

28 (2) There is established an account to be known as the "federal Clean
 29 Air Act account" which shall be a separate, nonlapsing account within
 30 the General Fund. The account shall contain any moneys required by
 31 law to be deposited in the account. Moneys in the account shall be
 32 expended by the Commissioner of Energy and Environmental
 33 Protection, in consultation with the Commissioner of Transportation,
 34 for the purposes of implementing the requirements of the federal Clean
 35 Air Act, improving air quality and reducing carbon emissions.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	14-49b(a)

Statement of Legislative Commissioners:

The title was changed.

TRA *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Revenue Loss	7,000,000 - 8,000,000	7,000,000 - 8,000,000
Resources of the General Fund	Federal Clean Air Act account (non- lapsing GF) - Revenue Gain	7,000,000 - 8,000,000	7,000,000 - 8,000,000
Department of Energy and Environmental Protection	Federal Clean Air Act account (non- lapsing GF) - Cost	7,000,000 - 8,000,000	7,000,000 - 8,000,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill directs 42.5% of federal Clean Air Act (CAA) fees collected on motor vehicle registrations to a "federal Clean Air Act account" within the General Fund (GF) to be expended for air quality and related purposes. Currently, this portion of CAA fees goes to the GF and are not statutorily directed to a specific purpose.

The bill results in an equal revenue loss and revenue gain of between \$7-\$8 million annually to the GF and the newly established CAA account, respectively. Further, the bill results in a cost of between \$7-\$8 million annually due to the air quality improvement expenditures that the Department of Energy and Environmental Protection (DEEP) would be required to make.

General Fund deposits from motor vehicle CAA fees were \$7,332,417

in FY 20 and \$9,778,047 in FY 21. The FY 21 increase was driven by PA 19-165 which, among other things, increased the renewal period for motor vehicle registrations from two years to three and increased the related fees proportionately. Collections in future years are expected to return to the \$7-\$8 million range.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of actual motor vehicle registrations.

OLR Bill Analysis**sHB 5381*****AN ACT CONCERNING THE FEDERAL CLEAN AIR ACT FEE ON MOTOR VEHICLE REGISTRATION.*****SUMMARY**

This bill directs 42.5% of federal Clean Air Act (CAA) fees collected on motor vehicle registrations to a “federal Clean Air Act account” within the General Fund and dedicates the money to certain environmental purposes. Under current law, this portion of CAA fees goes to the General Fund and is not dedicated to any specific purpose. Existing law, unchanged by the bill, directs the other 57.5% of CAA fees to the Special Transportation Fund.

The bill establishes the federal Clean Air Act account as a separate, nonlapsing account in the General Fund and requires that it contain any money the law requires to be deposited in it. Account funds must be spent by the Department of Energy and Environmental Protection commissioner, in consultation with the transportation commissioner, to implement federal CAA requirements, improve air quality, and reduce carbon emissions.

EFFECTIVE DATE: July 1, 2022

BACKGROUND***CAA Fees on Motor Vehicle Registrations***

State law requires the Department of Motor Vehicles to collect the CAA fee on new registrations and renewals and sets the fee at \$15 for a triennial registration period (proportionately reduced for other registration lengths). By law, the CAA fee does not apply to motor vehicles that are electrically powered, not self-propelled, or exempt from a registration fee (CGS § 14-49b(a)).

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 35 Nay 0 (03/24/2022)