

# SENATE NO. 2082



## **AN ACT** TO PROMOTE THE DEVELOPMENT OF ALTERNATIVE FUELS AND THE USE OF ALTERNATIVE FUEL VEHICLES IN THE COMMONWEALTH

*Be it enacted by the Senate and House of Representatives in General Court assembled,  
And by the authority of the same, as follows:*

1 SECTION 1. Terms used in sections 2 and 3 and sections 14 to 21, inclusive, shall have the meanings  
2 assigned to them in section 3 of chapter 25A of the General Laws.

3 SECTION 1A. To provide for supplementing certain items in the general appropriation act and other  
4 appropriation acts for fiscal year 2006, the sum set forth in section 2A is hereby appropriated from the  
5 General Fund unless specifically designated otherwise in this act or in said appropriation acts, for the  
6 several purposes and subject to the conditions specified in this act or in said appropriation acts, and  
7 subject to the laws regulating the disbursement of public funds for the fiscal year ending June 30,  
8 2006. The sum appropriated in said section 2A shall be in addition to any amounts previously  
9 appropriated and made available for the purposes of that item.

10 SECTION 2A.

11 2030-1001 For the purchase and repair of office of environmental law enforcement motor vehicles;  
12 provided, that not less than 20 per cent of new motor vehicle purchases shall be hybrid or alternative  
13 fuel vehicles; prior appropriation continued.....\$2,500,000.

14 SECTION 21/2. To provide funding for the Energy Independence Grant Fund, for the purpose of  
15 encouraging the purchase, lease, aftermarket conversion and use of hybrid and alternative energy  
16 vehicles, including heavy, medium and light duty vehicles that utilize either a single fuel or dual fuel,  
17 by cities and towns, school districts and regional transit authorities. The sums set forth in section 3  
18 shall be distributed pursuant to a grant program developed and administered by the division of energy  
19 resources. The development of the plan shall be conducted in consultation with regional transit  
20 authorities established pursuant to chapter 161B of the General Laws. The grant program shall  
21 facilitate the development of an alternative fuel infrastructure. The sums set forth in section 3, for the  
22 several purposes and subject to the conditions specified in this act, are hereby made available subject  
23 to the laws regulating the disbursement of public funds and approval thereof.

24 SECTION 3. DIVISION OF ENERGY RESOURCES.

25 7006-1003 For the planning, design and construction of alternative fuel refueling stations on the site of  
26 land owned or controlled by the commonwealth or a regional transit authority with a minimum useful  
27 life of 5 years, and for financial assistance to cities and towns, school districts and regional transit  
28 authorities for the acquisition of alternative fuel vehicles and hybrids with a minimum useful life of 3  
29 years; provided, that the commonwealth or a regional transit authority may enter into agreements or  
30 contracts with providers and distributors of alternative fuels necessary to carry out the  
31 purposes of this act . 10,000,000.

32 SECTION 4. To meet a portion of the expenditures necessary in carrying out section 3, the state  
33 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount  
34 to be specified by the governor from time to time, but not exceeding in the aggregate the sum of  
35 \$10,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face,  
36 Alternative Energy, Energy Independence Act of 2005, and shall be issued for such maximum term of  
37 years, not exceeding 20 years, as the governor may recommend to the general court pursuant to  
38 Section 3 of Article LXII of the Amendments to the Constitution of the Commonwealth; provided,  
39 however, that all such bonds shall be payable not later than June 30, 2030. All interest and payments  
40 on account of principal of such obligations shall be payable from the General Fund. Bonds and interest  
41 thereon issued under this section shall be general obligations of the commonwealth; provided,  
42 however, that any bonds issued by the state treasurer under this section shall, upon the request of the  
43 governor, be issued as special obligation bonds pursuant to section 20 of chapter 29 of the General  
44 Laws; provided further, that in deciding whether to request the issuance of particular bonds as special  
45 obligations the governor shall take into account: (i) generally prevailing financial market conditions;  
46 (ii) the impact of each approach on the overall capital financing plans and needs of the commonwealth;  
47 (iii) any ratings assigned to outstanding bonds of the commonwealth and any ratings expected to be  
48 assigned by any nationally-recognized credit rating agency to the bonds proposed to be issued; and (iv)  
49 any applicable provisions of a trust agreement or credit enhancement agreement entered into pursuant  
50 to said section 20 of said chapter 29.

51 SECTION 4A. Chapter 21A of the General Laws is hereby amended by adding the following section:-  
52 Section 3F. The commissioner shall annually, on or before November 15, publish a list of vehicles  
53 sold within the commonwealth which are eligible to receive an exemption from certain percentages of  
54 the sales tax and the percentage reduction in the sales tax assessed under section 2 of chapter 64H to

55 which they shall be entitled in the following taxable year.

56 The commissioner shall establish a list and provide a schedule of sales tax exemptions for vehicles  
57 based upon their fuel mileage ratings as determined by the United States Environmental Protection  
58 Agency, based on a formula annually updated which reflects: (a) a vehicle's mileage relative to other  
59 vehicles within its passenger seating class; and (b) the percentage of the vehicle that is American-  
60 made.

61 The commissioner shall provide exemptions for the following classes of vehicles: 2 and 4-passenger  
62 vehicles, 5-passenger vehicles and vehicles that seat 6 or more passengers.

63 The commissioner shall design the list so that no vehicle which is less than 60 percent as efficient, for  
64 2 to 4 and 5-passenger vehicles, and 70 percent as efficient, for 6-passenger and more vehicles, as the  
65 best vehicle in its respective class receives the sales tax exemption. The commissioner may, after  
66 issuing a draft determination and holding a public hearing, raise the level below which a vehicle shall  
67 not qualify for benefits.

68 The list shall be made available for public comment not later than November 1 of each year and the  
69 commissioner shall determine what shall be included on the final list. The final list shall be distributed  
70 to boards of assessors and tax collectors within each municipality.

71 SECTION 5. Section 3 of chapter 25A of the General Laws, as appearing in the 2004 Official Edition,  
72 is hereby amended by inserting in their appropriate alphabetical sequence the following definitions:

73 "Aftermarket conversion", a converted vehicle originally designed to operate on gasoline that has been  
74 altered to run on an alternative fuel exclusively or in combination with gasoline.

75 "Alternative fuel refueling station", any platform that provides for the delivery of alternative fuels.

76 "Alternative fuel vehicle", a vehicle powered by alternative fuel. An alternative fuel vehicle shall have  
77 the following attributes:

78 (1) the capability of operating only on an alternative fuel;

79 (2) original use commencing with the taxpayer; and

80 (3) acquisition by the taxpayer for use or lease, but not for resale.

81 "Alternative fuels", biodiesel, electricity, ethanol, hydrogen, methanol, natural gas and propane.

82 "Biodiesel", renewable fuel that can be manufactured from vegetable oils, animal fats, or recycled  
83 restaurant greases, including both biodiesel blends and pure forms, including B20 20 per cent neat  
84 biodiesel and 80 per cent diesel.

85 "Electricity", transportation fuel to power battery electric and fuel cell vehicles.

86 "Ethanol", an alcohol-based alternative fuel produced by fermenting and distilling starch crops that  
87 have been converted into simple sugars. Specifically, blends such as 85 per cent ethanol and 15 per  
88 cent gasoline, E85, shall be considered an alternative.

89 "Heavy duty vehicle", a vehicle with a gross vehicle weight rating, GVWR, equal to or greater than  
90 40,001 pounds GVWR.

91 "Hybrid vehicle", (1) a vehicle which draws propulsion energy from onboard sources of stored energy  
92 which are both: (i) an internal combustion or heat engine using combustible fuel; and (ii) a  
93 rechargeable energy storage system; (2) a vehicle which, in the case of a passenger automobile,  
94 medium duty passenger vehicle or light truck: (i) for 2002 and later model vehicles, has received a  
95 certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying  
96 California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make  
97 and model year; (ii) for 2004 and later model vehicles, has received a certificate that the vehicle meets  
98 or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the administrator of  
99 the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and  
100 model year vehicle; and (iii) and achieves an increase of 10 per cent fuel efficiency as compared to the

101 average vehicle of its class as defined by the federal Environmental Protection Agency.

102 "Hydrogen", a fuel which is in a gaseous state at atmospheric pressure and ambient temperatures  
103 containing low levels of carbon monoxide and carbon dioxide for use in combustion engines and fuel  
104 cell electric vehicles.

105 "Light duty vehicle", a vehicle with a gross vehicle weight rating, GVWR, of 0 to 10,000 pounds.

106 "Medium duty vehicle," a vehicle with a gross vehicle weight rating, GVWR, of 10,001 to 40,000  
107 pounds.

108 "Methanol", a wood alcohol used as an alternative fuel in flexible fuel vehicles that run on M85, a  
109 blend of 85 per cent methanol and 15 per cent gasoline.

110 "Natural gas", applications as stored onboard a vehicle as compressed natural gas, CNG, at 3,000 or  
111 3,600 pounds per square inch or as liquefied natural gas, LNG, at typically 20 to 150 pounds per  
112 square inch.

113 "Propane" liquefied petroleum gas, LPG.

114 "Regional transit authority", as established pursuant to chapter 161 and chapter 161B.

115 SECTION 6. Section 11B of chapter 25A of the General Laws, as so appearing, is hereby amended by  
116 adding the following 4 paragraphs:-

117 When purchasing new motor vehicles, the commonwealth shall purchase hybrid or alternative fuel  
118 vehicles to the maximum feasible extent at a rate of not less than 5 per cent annually for all new motor  
119 vehicle purchases in order that, taking into account the existing number of such vehicles owned and  
120 operated by the commonwealth, not less than 50 per cent of the motor vehicles owned and operated by  
121 the commonwealth are hybrid or alternative fuel vehicles by the year 2010.

122 The division of operational services shall forward to the division of energy resources all requests for  
123 motor vehicle acquisitions by agencies of the commonwealth. The division shall thereafter report to

124 the division of operational services regarding the availability of a hybrid or alternative fuel vehicle that  
125 will feasibly achieve the intended use designated by the requesting agency.

126 The division shall develop a system of protocols for reporting to the division of operational services  
127 for the acquisition of alternative fuel vehicles and hybrids, including identifying the potential for  
128 acquisition of heavy, medium and light-duty vehicles, based on the anticipated mileage and usage of  
129 such vehicles, and the effectiveness of single fuel or dual fuel alternative fuel vehicles for the  
130 particular purpose identified.

131 The division shall submit in writing to the secretary of administration and finance, the clerks of the  
132 senate and house of representatives and the joint committee on state administration and regulatory  
133 oversight an annual statement detailing the progress, as well as any additional information relevant to  
134 the acquisition of hybrid or alternative fuel vehicles by the commonwealth.

135 SECTION 7. Said chapter 25A is hereby further amended by inserting after section 11H the following  
136 2 sections:-

137 Section 11I. There shall be established and set up on the books of the Commonwealth an Energy  
138 Independence Grant Fund to be used, subject to appropriation for the purpose of encouraging the  
139 purchase, lease, aftermarket conversion and use of hybrid and alternative fuel vehicles, including  
140 heavy, medium and light duty vehicles that use either a single fuel or dual fuels, by cities and towns,  
141 school districts and regional transit authorities. The grants may be used for the purpose of matching  
142 federal grants. In addition, the grants may be expended pursuant to cooperative purchasing agreements  
143 with other entities. Funds expended shall, to the extent possible, maximize reimbursement from  
144 federal or other sources. The fund shall consist of any appropriations, bond proceeds or other monies  
145 authorized by the general court and specifically designated to be credited to it. The fund shall  
146 encourage, support and foster the development of hybrid and alternative fuel vehicles in order to

147 promote increased autonomy from fossil fuels, to mitigate the fiscal impact of the high cost of fuel on  
148 cities and towns and to provide environmental benefits through the reduction of carbon dioxide and  
149 carbon monoxide emissions.

150 Section 11J. (a) The division shall receive applications for grants from the fund from cities and towns,  
151 school districts and regional transit authorities and award grants to assist any of them in the purchase  
152 or lease of hybrid and alternative fuel vehicles or for the aftermarket conversion of conventional fuel  
153 vehicles for municipal or regional transit purposes. The division shall develop a scoring system to  
154 serve as the basis for the evaluation and the determination of awarding grants pursuant to this section.  
155 The scoring system shall determine the maximum grant amount available for a specific application.  
156 The scoring system shall be based upon the type of vehicle being acquired or retrofitted, the cost, the  
157 type of use anticipated, fuel economy, range and the anticipated useful life of a vehicle and shall  
158 employ the federal standards set forth in the Corporate Average Fuel Economy provision of the  
159 Energy Policy Conservation Act of 1975 and any other applicable federal standards. The scoring  
160 system shall designate the amount of assistance available to a municipality, school district or regional  
161 transit authority based upon those factors and the division may award grants up to that amount  
162 commensurate with said factors. In awarding grants, the division shall give consideration to  
163 applications from cities and towns, school districts and regional transit authorities from diverse  
164 geographic regions. A city or town, school district or regional transit authority which is awarded a  
165 grant under this program shall submit an annual report to the division identifying and detailing: (1) the  
166 type of the hybrid or alternative fuel vehicle purchased, leased or converted; (2) the usage and any cost  
167 savings to the city or town, school district or regional transit authority associated with the reduction of  
168 use of standard gasoline from the use of the vehicle; and (3) any environmental benefits from, but not  
169 limited to, the reduction in emissions.

170 (b) A city or town, school district or regional transit authority shall apply for a fund grant in the  
171 manner specified by the commissioner.

172 (c) The division shall promulgate policies, rules and regulations to implement this section. The  
173 commissioner shall file the policies, rules and regulations with the joint committee on state  
174 administration and regulatory oversight for review and comment not later than 30 days before the  
175 effective date of any policies, rules and regulations.

176 (d) Not less than \$100,000 shall be expended from the fund for the Massachusetts Maritime Academy  
177 for a pilot program to utilize wind energy technology to create on-site, hydrogen-based electricity to  
178 reduce the high cost of energy at public institutions of higher education. The academy shall use the  
179 funds to develop a hydrogen-based, fuel cell powered tug boat.

180 SECTION 8. Paragraph (a) of Part B of section 3 of chapter 62 of the General Laws, as appearing in  
181 the 2004 Official Edition, is hereby amended by inserting after subparagraph 9 the following  
182 subparagraph:-

183 (91/2) For taxable years beginning on or after January 1, 2006, in the case of an individual who  
184 purchases a hybrid or alternative fuel vehicle, as those terms are defined in section 3 of chapter 25A,  
185 there shall be a deduction in the amount of \$2,000 for a single person, for a person who qualifies as a  
186 head of household under section 2(b) of the Code or for a husband and wife in the taxable year in  
187 which the purchase is made. The department of revenue may require a proof of purchase to be  
188 submitted with a return in order to be eligible for the deduction.

189 SECTION 9. Section 31A of chapter 63 of the General Laws, as so appearing, is hereby amended by  
190 inserting after the word "fishing", in lines 4 and 24, the following words:- or a corporation primarily

191 engaged in the development, construction or operation of an alternative fuel refueling station, and the  
192 development of alternative fuels, as those terms are defined in section 3 of chapter 25A.

193 SECTION 10. Said chapter 63 is hereby further amended by inserting after section 31C the following  
194 2 sections:-

195 Section 31C1/2. A corporation which maintains a motor vehicle fleet equal to or in excess of 50  
196 vehicles, including those of carriers licensed pursuant to chapter 159B, and purchases, leases or  
197 performs an aftermarket conversion, as that term is defined in section 3 of chapter 25A, of a  
198 conventional fuel vehicle to an alternative fuel vehicle, as that term is defined in said section 3 of said  
199 chapter 25A, and maintains the alternative fuel vehicle, and which corporation is a domestic or foreign  
200 corporation under subparagraph 1 or 2 of section 30, may receive a credit against its excise due under  
201 this chapter. The amount of the credit shall be equal to 50 per cent of the difference between the  
202 purchase price or the cost of the aftermarket conversion of the alternative fuel vehicle and the listed  
203 purchase price of a gasoline-powered vehicle of like quality during the taxable year of the purchase. A  
204 corporation which does not maintain at least 10 per cent of its fleet as alternative fuel vehicles or  
205 hybrid vehicles, as those terms are defined in said section 3 of said chapter 25A, shall not be eligible  
206 for the credit.

207 Section 31C3/4. A corporation, licensed as a common carrier of passengers under chapter 159A, which  
208 maintains a motor vehicle fleet equal to or in excess of 25 vehicles and purchases, leases or performs  
209 an aftermarket conversion, as that term is defined in section 3 of chapter 25A, of a conventional fuel  
210 vehicle to an alternative fuel vehicle, as that term is defined in section 3 of chapter 25A, and maintains  
211 the alternative fuel vehicle, and which corporation is a domestic or foreign corporation under  
212 subparagraph 1 or 2 of section 30, may receive a credit against its excise due under this chapter. The  
213 amount of the credit shall be equal to fifty per cent of the difference between the purchase price or the

214 cost of the aftermarket conversion of the alternative fuel vehicle and the listed purchase price of a  
215 gasoline-powered vehicle of like quality during the taxable year of the purchase, as hereinafter  
216 provided. A corporation which does not maintain at least 10 per cent of its fleet as alternative fuel  
217 vehicles or hybrid vehicles, as those terms are defined in said section 3 of said chapter 25A, shall not  
218 be eligible for the credit.

219 SECTION 11. Section 4 of chapter 64E of the General Laws, as appearing in the 2004 Official  
220 Edition, is hereby amended by striking out, in lines 9 and 10, the words "19.1 per cent of the average  
221 price computed to the nearest tenth of one per cent per gallon" and inserting in place thereof the  
222 following words:- 25 per cent less than the rate on fuel set forth in chapter 64A.

223 SECTION 12. Section 2 of chapter 90 of the General Laws, as so appearing, is hereby amended by  
224 inserting after the tenth paragraph the following paragraph:-  
225 Upon application, the registrar shall furnish an energy independence placard or sticker bearing a  
226 designation to be determined by the registrar to any person who is the title or lease holder of a  
227 qualified hybrid or alternative fuel vehicle, as those terms are defined in section 3 of chapter 25A, and  
228 who meets the requirements of this paragraph. The placard or sticker shall be of a size and design to be  
229 determined by the registrar and shall be numbered and contain identifying features and specifications  
230 as the registrar considers appropriate. The authorized user shall permanently affix the placard or  
231 sticker to the vehicle so as to be readily visible in accordance with instructions provided by the  
232 registrar from time to time. The registrar may impose a reasonable fee for the costs associated with the  
233 processing of applications and the issuance of placards or stickers.

234 The Massachusetts Turnpike Authority shall make available to all holders of placards Fast Lane toll  
235 transponders and shall waive the initial application fee associated with the acquisition of the

236 transponder. A city or town may, by by-law or ordinance, grant municipal parking at a reduced rate or  
237 without charge to holders of the energy independence placard or sticker.

238 SECTION 12A. Section 7A of said chapter 90, as so appearing, is hereby amended by inserting after  
239 the fifth paragraph the following paragraph:-

240 The emissions and maintenance inspection programs provided for in this section shall not apply to a  
241 qualified hybrid or alternative fuel vehicle or clean alternative fuel if the vehicle obtains a rating from  
242 the United States Environmental Protection Agency of at least 50 miles per gallon during city fuel  
243 economy tests unless remote sensing devices indicate the hybrid or alternative fuel vehicle may not  
244 meet current emissions standards. The commissioner shall promulgate such regulations as may be  
245 required to implement this exemption.

246 SECTION 12B. Section 142M of chapter 111 of the General Laws, as so appearing, is hereby  
247 amended by inserting before the definition of "Commissioner" the following definition:-

248 "Clean alternative fuel vehicle" shall mean natural gas, hydrogen or electricity when used as a motor  
249 vehicle fuel or propane when used as a motor vehicle fuel if such a vehicle meets the federal fleet  
250 emissions standards under the federal Clean Air Act or any emissions standards adopted by the  
251 commissioner of environmental protection as part of the commonwealth's implementation plan under  
252 the Clean Air Act.

253 SECTION 13. (a) There shall be established at the University of Massachusetts, the Commonwealth  
254 Alternative Fuels Institute, for the purpose of researching and developing hybrid and alternative fuel  
255 vehicles and alternative fuels and any related technology and components involved in the production,  
256 conversion, operation and maintenance of hybrid and alternative fuel vehicles and hybrids.

257 (b) The Institute shall have among its primary goals the development and commercialization of the

258 vehicles, fuels, equipment and technology for the purposes of deriving environmental benefits,  
259 reducing dependence on conventional fossil fuels and facilitating economic growth.

260 (c) The Institute shall be governed by policies and operating procedures developed and maintained by  
261 the president of the university and its board of trustees, together with the governing bodies of each  
262 subdivision of the university assigned to engage in the operations of the Institute.

263 (d) Subject to appropriation, the Institute shall engage in projects as determined to be feasible by its  
264 advisory board, and may issue requests for proposals and enter into cooperative research agreements in  
265 carrying out this act.

266 (e) There shall be an advisory board of the Institute, comprised of: the president of the University of  
267 Massachusetts or his designee, who shall also serve as the chairperson; the secretary of environmental  
268 affairs or his designee; the secretary of economic affairs or his designee; the secretary of transportation  
269 or his designee; the general manager of the Massachusetts Bay Transportation Authority or his  
270 designee; a representative of the regional transit authorities; 3 members to be appointed by the  
271 governor, 1 of whom shall represent the business community, 1 of whom shall have expertise in  
272 environmental issues and 1 of whom shall represent consumers; 2 members appointed by the president  
273 of the university, each having expertise in relevant science and technology; 1 member of the senate  
274 and 1 member of the house of representatives. Each appointed member shall serve for a term of 3  
275 years, and shall be eligible to be appointed for consecutive terms.

276 (f) The Institute shall undertake a comprehensive industry needs assessment, in consultation with the  
277 advisory board, of businesses engaged in the research, development or production of alternative fuel  
278 vehicles and hybrids, alternative fuels and related components and technologies. The assessment,  
279 which shall be completed not later than 6 months after the effective date of this act, shall include, but  
280 not be limited to the following:

281 (1) the identities of industry participants and a characterization of their business activities involving  
282 hybrid and alternative fuel vehicles and related technologies and components;  
283 (2) current or projected impediments to the growth and development of industry participants;  
284 (3) feasible means by which state government, including the commonwealth's institutions of higher  
285 education, may assist industry participants;  
286 (4) potential collaborative efforts between the commonwealth and industry participants, including  
287 industry-sponsored research and development and the securing of public and private research funds;  
288 (5) potential sources and uses of federal government funding for research and development including,  
289 but not limited to, funding opportunities contained in any federal renewable or alternative energy  
290 legislation.

291 SECTION 14. The Massachusetts Turnpike Authority shall develop a plan, in consultation with the  
292 executive office of transportation, for the availability of alternative fuel at each fueling facility or  
293 service terminal on the Massachusetts Turnpike. The plan shall provide for availability not later than  
294 January 1, 2012. Should the authority determine that facilitating the availability is not feasible, it shall  
295 report the findings, together with the reasons therefor, to the house and senate committees on ways and  
296 means and the joint committee on transportation not later than January 31, 2006.

297 SECTION 15. (a) The commissioner of energy resources, in consultation with the secretary of  
298 administration and finance, the secretary of transportation, the general manager of the Massachusetts  
299 Bay Transportation Authority, a representative of the regional transit authorities, the secretary of  
300 economic affairs, the secretary of environmental affairs, and the operation services division, shall  
301 develop a statewide master plan for the advancement of hybrid and alternative fuel vehicles and  
302 related technology.

303 (b) The plan shall encompass a 10-year period beginning in 2007, and shall be divisible in increments  
304 of not less than 5 years. The plan shall take into account the geographic diversity of the  
305 commonwealth, its present and projected demographics, present and projected transportation needs  
306 and infrastructure, and current, emerging and foreseeable alternative fuel and vehicle technologies.

307 (c) The plan may establish goals for areas such as the purchase and use of hybrid and alternative fuel  
308 vehicles and hybrids by the commonwealth, its political subdivisions, private commercial fleets and  
309 citizens, the development of fueling facilities, and technologies, and the production, import action or  
310 distribution of alternative fuels.

311 (d) In addition, the plan shall identify strategies and corresponding methods of achieving its identified  
312 goals together with necessary administration and legislative actions. The plan shall be reported to the  
313 clerks of the senate and house of representatives not later than 18 months following the effective date  
314 of this act.

315 SECTION 16. The secretary of administration and finance through the division of operational services,  
316 in consultation with the commissioner of energy resources, shall enter into contracts and agreements  
317 with the manufacturers or providers of hybrid or alternative fuel vehicles as may be necessary for the  
318 purchase or lease of the vehicles, or aftermarket conversion equipment or technologies in order to  
319 comply with this act.

320 SECTION 17. The commissioner of energy resources shall annually develop a directory of alternative  
321 fuel vehicles, equipment and services available for purchase by public entities.

322 The directory shall include vehicles available for heavy, medium and light duty usage, as well as the  
323 spectrum of alternative fuels available, as defined in section 3 of chapter 25A of the General Laws,  
324 and the appropriate applications, estimated costs, and positive and negative aspects of each vehicle and

325 fuel. To the extent possible, the directory shall contain photographs of the available vehicles.  
326 The directory shall be produced and promulgated in a manner reasonably devised to assist in  
327 promoting awareness and the utilization of alternative fuel vehicles by the commonwealth and its  
328 political subdivisions and shall be made available to municipalities and agencies of the commonwealth  
329 to assist in the identification and acquisition of hybrid and alternative fuel vehicles. The catalog shall  
330 be made available to nongovernment entities but the commissioner may impose a reasonable fee  
331 consistent with the cost of reproducing the catalog.

332 SECTION 18. The secretary of economic affairs, in consultation with the executive office of  
333 transportation and the division of energy resources, shall evaluate the feasibility and desirability of any  
334 methods which could be utilized by the commonwealth in order to provide incentive for or incubate  
335 the production of alternative fuel vehicles and equipment within its borders. The evaluation shall  
336 include, but not be limited to, the potential economic benefits of the production, including job growth,  
337 and the potential environmental benefits associated with the production and increased distribution of  
338 alternative fuel vehicles and equipment in the commonwealth.

339 The secretary shall report the findings of the evaluation, and its recommendations, if any, together with  
340 drafts of legislation necessary to carry such recommendations into effect, to the clerks of the senate  
341 and house of representatives not later than 1 year after the effective date of this act.

342 SECTION 19. Not later than December 31 of each year, the Massachusetts Bay Transportation  
343 Authority shall file with the clerks of the senate and house of representatives and the joint committee  
344 on economic development and emerging technologies a report indicating its utilization of hybrid and  
345 alternative fuel vehicles and related technologies. The report shall include, but not be limited to, the  
346 increased costs or savings, if any, associated with the use of the vehicles, the amount of fuel used and

347 conserved by the use of the vehicles, the emissions rates for the vehicles and other vehicles in the fleet  
348 and the positive and negative factors, if any, associated with their use.  
349 The report shall identify any impediments to the use of the vehicles and technologies and shall include  
350 any legislative recommendations to address those impediments.

351 SECTION 20. The operational services division, in consultation with the executive office of  
352 transportation, the secretary of administration and finance, the division of energy resources, the  
353 Massachusetts Bay Transportation Authority and regional transit authorities, shall study the feasibility  
354 of developing and implementing a system to facilitate the mass purchase of alternative fuel vehicles by  
355 the commonwealth and its political subdivisions. The study shall include, but not be limited to, the  
356 potential cost savings to be derived from the system, the cost of its administration, appropriate  
357 purchasers to participate in the system and the probability of its utilization by those purchasers.  
358 The operational services division shall report the findings of the study, and its recommendations if  
359 any, together with drafts of legislation necessary to carry such recommendations into effect, by filing  
360 the same with the clerks of the senate and house of representatives not later than 1 year after the  
361 effective date of this act.

362 SECTION 20A. There shall be a special commission to report on the expanded use of biodiesel fuel in  
363 the commonwealth. The commission shall consist of 1 member to be appointed by the department of  
364 environmental protection; 1 member to be appointed by the department of telecommunications and  
365 energy; 1 member to be appointed by the division of energy resources; 2 members to be appointed by  
366 the senate president; 1 member to be appointed by the senate minority leader; 2 members to be  
367 appointed by the speaker of the house of representatives; 1 member to be appointed by the minority  
368 leader of the house of representatives; and members to be appointed by the governor to provide

369 appropriate consumer, environmental, and industry representation. The commission shall submit a  
370 report and recommendations to the secretary of environmental affairs; office of commonwealth  
371 development; the joint committee on telecommunications, utilities, and energy; the joint committee on  
372 environment, natural resources and agriculture; the joint committee on state administration and  
373 regulatory oversight; and the house and senate clerks by June 30, 2006. The commission shall conduct  
374 a study of the current impediments in state and federal law and regulation to the certification, licensure  
375 and availability for sale in the commonwealth of highly efficient diesel passenger vehicles under the  
376 California LEV II standards and potential methods to address such impediments. It shall also examine  
377 barriers and opportunities for widespread use of biodiesel and low-sulfur biodiesel fuels for motor  
378 vehicles, heating, and other appropriate uses in the commonwealth. From this study the commission  
379 shall submit a plan for the expanded use of biodiesel and low-sulfur biodiesel fuels in the  
380 commonwealth and proposals for new regulations and laws to expand the use of biodiesel where  
381 feasible and appropriate.

382 SECTION 21. Hybrid and alternative fuel vehicles which display a special identifying placard issued  
383 under section 12 may travel in high occupancy vehicle or HOV lanes. This section shall expire 3 years  
384 following the effective date of this act.

385 SECTION 22. Section 8 shall be in effect for taxable years 2006 to 2010, inclusive.

386 SECTION 23. Section 10 shall be in effect for taxable years 2005 to 2015, inclusive.

387 SECTION 24. Section 11 shall be in effect for taxable years 2005 to 2010, inclusive.

388