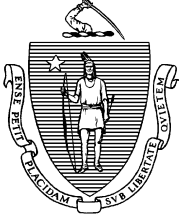


SENATE, NO. 2095

[SIMILAR MATTER FILED DURING PAST SESSION  
SEE NO. SENATE 2220 OF 2005-2006]



**The Commonwealth of Massachusetts**

IN THE YEAR OF TWO THOUSAND AND SEVEN

**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  
2 meanings 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  
4 other appropriation acts for fiscal year 2006, the sum set forth in section 2A is hereby  
5 appropriated from the General Fund unless specifically designated otherwise in this act or in  
6 said appropriation acts, for the several purposes and subject to the conditions specified in this  
7 act or in said appropriation acts, and subject to the laws regulating the disbursement of public  
8 funds for the fiscal year ending June 30, 2006. The sum appropriated in said section 2A shall be

9 in addition to any amounts previously appropriated and made available for the purposes of that  
10 item.

11 SECTION 2A.

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

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

26 SECTION 3. DIVISION OF ENERGY RESOURCES.

27 7006-1003 For the planning, design and construction of alternative fuel refueling stations on the  
28 site of land owned or controlled by the commonwealth or a regional transit authority with a  
29 minimum useful life of 5 years, and for financial assistance to cities and towns, school districts  
30 and regional transit authorities for the acquisition of alternative fuel vehicles and hybrids with a

31 minimum useful life of 3 years; provided, that the commonwealth or a regional transit authority  
32 may enter into agreements or contracts with providers and distributors of alternative fuels  
33 necessary to carry out the purposes of this act . 10,000,000.

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

54 SECTION 4A. Chapter 21A of the General Laws is hereby amended by adding the following  
55 section:-

56 Section 3F. The commissioner shall annually, on or before November 15, publish a list of  
57 vehicles sold within the commonwealth which are eligible to receive an exemption from certain  
58 percentages of the sales tax and the percentage reduction in the sales tax assessed under section  
59 2 of chapter 64H to which they shall be entitled in the following taxable year.

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

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

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

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

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

77 definitions:

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

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

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

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

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

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

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

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

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

92 "Ethanol", an alcohol-based alternative fuel produced by fermenting and distilling starch crops  
93 that have been converted into simple sugars. Specifically, blends such as 85 per cent ethanol and  
94 15 per cent gasoline, E85, shall be considered an alternative.

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

97 "Hybrid vehicle", (1) a vehicle which draws propulsion energy from onboard sources of stored  
98 energy which are both: (i) an internal combustion or heat engine using combustible fuel; and (ii)  
99 a rechargeable energy storage system; (2) a vehicle which, in the case of a passenger

100 automobile, medium duty passenger vehicle or light truck: (i) for 2002 and later model vehicles,  
101 has received a certificate of conformity under the Clean Air Act and meets or exceeds the  
102 equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the  
103 Clean Air Act for that make and model year; (ii) for 2004 and later model vehicles, has received  
104 a certificate that the vehicle meets or exceeds the Bin 5 Tier II emission level established in  
105 regulations prescribed by the administrator of the Environmental Protection Agency under  
106 section 202(i) of the Clean Air Act for that make and model year vehicle; and (iii) and achieves  
107 an increase of 10 per cent fuel efficiency as compared to the average vehicle of its class as  
108 defined by the federal Environmental Protection Agency.

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

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

114 "Medium duty vehicle," a vehicle with a gross vehicle weight rating, GVWR, of 10,001 to  
115 40,000 pounds.

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

118 "Natural gas", applications as stored onboard a vehicle as compressed natural gas, CNG, at  
119 3,000 or 3,600 pounds per square inch or as liquefied natural gas, LNG, at typically 20 to 150  
120 pounds per square inch.

121 "Propane" liquefied petroleum gas, LPG.

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

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

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

131 The division of operational services shall forward to the division of energy resources all  
132 requests for motor vehicle acquisitions by agencies of the commonwealth. The division shall  
133 thereafter report to the division of operational services regarding the availability of a hybrid or  
134 alternative fuel vehicle that will feasibly achieve the intended use designated by the requesting  
135 agency.

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

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

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

148 Section 11I. There shall be established and set up on the books of the Commonwealth an Energy  
149 Independence Grant Fund to be used, subject to appropriation for the purpose of encouraging  
150 the purchase, lease, aftermarket conversion and use of hybrid and alternative fuel vehicles,  
151 including heavy, medium and light duty vehicles that use either a single fuel or dual fuels, by  
152 cities and towns, school districts and regional transit authorities. The grants may be used for the  
153 purpose of matching federal grants. In addition, the grants may be expended pursuant to  
154 cooperative purchasing agreements with other entities. Funds expended shall, to the extent  
155 possible, maximize reimbursement from federal or other sources. The fund shall consist of any  
156 appropriations, bond proceeds or other monies authorized by the general court and specifically  
157 designated to be credited to it. The fund shall encourage, support and foster the development of  
158 hybrid and alternative fuel vehicles in order to promote increased autonomy from fossil fuels, to  
159 mitigate the fiscal impact of the high cost of fuel on cities and towns and to provide  
160 environmental benefits through the reduction of carbon dioxide and carbon monoxide  
161 emissions.

162 Section 11J. (a) The division shall receive applications for grants from the fund from cities and  
163 towns, school districts and regional transit authorities and award grants to assist any of them in  
164 the purchase or lease of hybrid and alternative fuel vehicles or for the aftermarket conversion of  
165 conventional fuel vehicles for municipal or regional transit purposes. The division shall develop  
166 a scoring system to serve as the basis for the evaluation and the determination of awarding  
167 grants pursuant to this section. The scoring system shall determine the maximum grant amount  
168 available for a specific application. The scoring system shall be based upon the type of vehicle

169 being acquired or retrofitted, the cost, the type of use anticipated, fuel economy, range and the  
170 anticipated useful life of a vehicle and shall employ the federal standards set forth in the  
171 Corporate Average Fuel Economy provision of the Energy Policy Conservation Act of 1975 and  
172 any other applicable federal standards. The scoring system shall designate the amount of  
173 assistance available to a municipality, school district or regional transit authority based upon  
174 those factors and the division may award grants up to that amount commensurate with said  
175 factors. In awarding grants, the division shall give consideration to applications from cities and  
176 towns, school districts and regional transit authorities from diverse geographic regions. A city or  
177 town, school district or regional transit authority which is awarded a grant under this program  
178 shall submit an annual report to the division identifying and detailing: (1) the type of the hybrid  
179 or alternative fuel vehicle purchased, leased or converted; (2) the usage and any cost savings to  
180 the city or town, school district or regional transit authority associated with the reduction of use  
181 of standard gasoline from the use of the vehicle; and (3) any environmental benefits from, but  
182 not limited to, the reduction in emissions.

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

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

189 (d) Not less than \$100,000 shall be expended from the fund for the Massachusetts Maritime  
190 Academy for a pilot program to utilize wind energy technology to create on-site, hydrogen-

191 based electricity to reduce the high cost of energy at public institutions of higher education. The  
192 academy shall use the funds to develop a hydrogen-based, fuel cell powered tug boat.

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

196 (91/2) For taxable years beginning on or after January 1, 2006, in the case of an individual who  
197 purchases a hybrid or alternative fuel vehicle, as those terms are defined in section 3 of chapter  
198 25A, there shall be a deduction in the amount of \$2,000 for a single person, for a person who  
199 qualifies as a head of household under section 2(b) of the Code or for a husband and wife in the  
200 taxable year in which the purchase is made. The department of revenue may require a proof of  
201 purchase to be submitted with a return in order to be eligible for the deduction.

202 SECTION 9. Section 31A of chapter 63 of the General Laws, as so appearing, is hereby  
203 amended by inserting after the word "fishing", in lines 4 and 24, the following words:- or a  
204 corporation primarily engaged in the development, construction or operation of an alternative  
205 fuel refueling station, and the development of alternative fuels, as those terms are defined in  
206 section 3 of chapter 25A.

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

209 Section 31C1/2. A corporation which maintains a motor vehicle fleet equal to or in excess of 50  
210 vehicles, including those of carriers licensed pursuant to chapter 159B, and purchases, leases or  
211 performs an aftermarket conversion, as that term is defined in section 3 of chapter 25A, of a  
212 conventional fuel vehicle to an alternative fuel vehicle, as that term is defined in said section 3

213 of said chapter 25A, and maintains the alternative fuel vehicle, and which corporation is a  
214 domestic or foreign corporation under subparagraph 1 or 2 of section 30, may receive a credit  
215 against its excise due under this chapter. The amount of the credit shall be equal to 50 per cent  
216 of the difference between the purchase price or the cost of the aftermarket conversion of the  
217 alternative fuel vehicle and the listed purchase price of a gasoline-powered vehicle of like  
218 quality during the taxable year of the purchase. A corporation which does not maintain at least  
219 10 per cent of its fleet as alternative fuel vehicles or hybrid vehicles, as those terms are defined  
220 in said section 3 of said chapter 25A, shall not be eligible for the credit.

221 Section 31C3/4. A corporation, licensed as a common carrier of passengers under chapter 159A,  
222 which maintains a motor vehicle fleet equal to or in excess of 25 vehicles and purchases, leases  
223 or performs an aftermarket conversion, as that term is defined in section 3 of chapter 25A, of a  
224 conventional fuel vehicle to an alternative fuel vehicle, as that term is defined in section 3 of  
225 chapter 25A, and maintains the alternative fuel vehicle, and which corporation is a domestic or  
226 foreign corporation under subparagraph 1 or 2 of section 30, may receive a credit against its  
227 excise due under this chapter. The amount of the credit shall be equal to fifty per cent of the  
228 difference between the purchase price or the cost of the aftermarket conversion of the  
229 alternative fuel vehicle and the listed purchase price of a gasoline-powered vehicle of like  
230 quality during the taxable year of the purchase, as hereinafter provided. A corporation which  
231 does not maintain at least 10 per cent of its fleet as alternative fuel vehicles or hybrid vehicles,  
232 as those terms are defined in said section 3 of said chapter 25A, shall not be eligible for the  
233 credit.

234 SECTION 11. Section 4 of chapter 64E of the General Laws, as appearing in the 2004 Official  
235 Edition, is hereby amended by striking out, in lines 9 and 10, the words "19.1 per cent of the

236 average price computed to the nearest tenth of one per cent per gallon" and inserting in place  
237 thereof the following words:- 25 per cent less than the rate on fuel set forth in chapter 64A.

238 SECTION 12. Section 2 of chapter 90 of the General Laws, as so appearing, is hereby amended  
239 by inserting after the tenth paragraph the following paragraph:-

240 Upon application, the registrar shall furnish an energy independence placard or sticker bearing a  
241 designation to be determined by the registrar to any person who is the title or lease holder of a  
242 qualified hybrid or alternative fuel vehicle, as those terms are defined in section 3 of chapter  
243 25A, and who meets the requirements of this paragraph. The placard or sticker shall be of a size  
244 and design to be determined by the registrar and shall be numbered and contain identifying  
245 features and specifications as the registrar considers appropriate. The authorized user shall  
246 permanently affix the placard or sticker to the vehicle so as to be readily visible in accordance  
247 with instructions provided by the registrar from time to time. The registrar may impose a  
248 reasonable fee for the costs associated with the processing of applications and the issuance of  
249 placards or stickers.

250 The Massachusetts Turnpike Authority shall make available to all holders of placards Fast Lane  
251 toll transponders and shall waive the initial application fee associated with the acquisition of the  
252 transponder. A city or town may, by by-law or ordinance, grant municipal parking at a reduced  
253 rate or without charge to holders of the energy independence placard or sticker.

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

256 The emissions and maintenance inspection programs provided for in this section shall not apply  
257 to a qualified hybrid or alternative fuel vehicle or clean alternative fuel if the vehicle obtains a

258 rating from the United States Environmental Protection Agency of at least 50 miles per gallon  
259 during city fuel economy tests unless remote sensing devices indicate the hybrid or alternative  
260 fuel vehicle may not meet current emissions standards. The commissioner shall promulgate such  
261 regulations as may be required to implement this exemption.

262 SECTION 12B. Section 142M of chapter 111 of the General Laws, as so appearing, is hereby  
263 amended by inserting before the definition of "Commissioner" the following definition:-  
264 "Clean alternative fuel vehicle" shall mean natural gas, hydrogen or electricity when used as a  
265 motor vehicle fuel or propane when used as a motor vehicle fuel if such a vehicle meets the  
266 federal fleet emissions standards under the federal Clean Air Act or any emissions standards  
267 adopted by the commissioner of environmental protection as part of the commonwealth's  
268 implementation plan under the Clean Air Act.

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

274 (b) The Institute shall have among its primary goals the development and commercialization of  
275 the vehicles, fuels, equipment and technology for the purposes of deriving environmental  
276 benefits, reducing dependence on conventional fossil fuels and facilitating economic growth.

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

280 the Institute.

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

284 (e) There shall be an advisory board of the Institute, comprised of: the president of the  
285 University of Massachusetts or his designee, who shall also serve as the chairperson; the  
286 secretary of environmental affairs or his designee; the secretary of economic affairs or his  
287 designee; the secretary of transportation or his designee; the general manager of the  
288 Massachusetts Bay Transportation Authority or his designee; a representative of the regional  
289 transit authorities; 3 members to be appointed by the governor, 1 of whom shall represent the  
290 business community, 1 of whom shall have expertise in environmental issues and 1 of whom  
291 shall represent consumers; 2 members appointed by the president of the university, each having  
292 expertise in relevant science and technology; 1 member of the senate and 1 member of the  
293 house of representatives. Each appointed member shall serve for a term of 3 years, and shall be  
294 eligible to be appointed for consecutive terms.

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

- 300 (1) the identities of industry participants and a characterization of their business activities  
301 involving hybrid and alternative fuel vehicles and related technologies and components;  
302 (2) current or projected impediments to the growth and development of industry participants;

303 (3) feasible means by which state government, including the commonwealth's institutions of  
304 higher education, may assist industry participants;

305 (4) potential collaborative efforts between the commonwealth and industry participants,  
306 including industry-sponsored research and development and the securing of public and private  
307 research funds;

308 (5) potential sources and uses of federal government funding for research and development  
309 including, but not limited to, funding opportunities contained in any federal renewable or  
310 alternative energy legislation.

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

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

324 (b) The plan shall encompass a 10-year period beginning in 2007, and shall be divisible in

325 increments of not less than 5 years. The plan shall take into account the geographic diversity of  
326 the commonwealth, its present and projected demographics, present and projected transportation  
327 needs and infrastructure, and current, emerging and foreseeable alternative fuel and vehicle  
328 technologies.

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

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

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

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

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

347 aspects of each vehicle and fuel. To the extent possible, the directory shall contain photographs  
348 of the available vehicles.

349 The directory shall be produced and promulgated in a manner reasonably devised to assist in  
350 promoting awareness and the utilization of alternative fuel vehicles by the commonwealth and  
351 its political subdivisions and shall be made available to municipalities and agencies of the  
352 commonwealth to assist in the identification and acquisition of hybrid and alternative fuel  
353 vehicles. The catalog shall be made available to nongovernment entities but the commissioner  
354 may impose a reasonable fee consistent with the cost of reproducing the catalog.

355 SECTION 18. The secretary of economic affairs, in consultation with the executive office of  
356 transportation and the division of energy resources, shall evaluate the feasibility and desirability  
357 of any methods which could be utilized by the commonwealth in order to provide incentive for  
358 or incubate the production of alternative fuel vehicles and equipment within its borders. The  
359 evaluation shall include, but not be limited to, the potential economic benefits of the production,  
360 including job growth, and the potential environmental benefits associated with the production  
361 and increased distribution of alternative fuel vehicles and equipment in the commonwealth.  
362 The secretary shall report the findings of the evaluation, and its recommendations, if any,  
363 together with drafts of legislation necessary to carry such recommendations into effect, to the  
364 clerks of the senate and house of representatives not later than 1 year after the effective date of  
365 this act.

366 SECTION 19. Not later than December 31 of each year, the Massachusetts Bay Transportation  
367 Authority shall file with the clerks of the senate and house of representatives and the joint  
368 committee on economic development and emerging technologies a report indicating its

369 utilization of hybrid and alternative fuel vehicles and related technologies. The report shall  
370 include, but not be limited to, the increased costs or savings, if any, associated with the use of  
371 the vehicles, the amount of fuel used and conserved by the use of the vehicles, the emissions  
372 rates for the vehicles and other vehicles in the fleet and the positive and negative factors, if any,  
373 associated with their use.

374 The report shall identify any impediments to the use of the vehicles and technologies and shall  
375 include any legislative recommendations to address those impediments.

376 SECTION 20. The operational services division, in consultation with the executive office of  
377 transportation, the secretary of administration and finance, the division of energy resources, the  
378 Massachusetts Bay Transportation Authority and regional transit authorities, shall study the  
379 feasibility of developing and implementing a system to facilitate the mass purchase of  
380 alternative fuel vehicles by the commonwealth and its political subdivisions. The study shall  
381 include, but not be limited to, the potential cost savings to be derived from the system, the cost  
382 of its administration, appropriate purchasers to participate in the system and the probability of  
383 its utilization by those purchasers.

384 The operational services division shall report the findings of the study, and its recommendations  
385 if any, together with drafts of legislation necessary to carry such recommendations into effect,  
386 by filing the same with the clerks of the senate and house of representatives not later than 1 year  
387 after the effective date of this act.

388 SECTION 20A. There shall be a special commission to report on the expanded use of biodiesel  
389 fuel in the commonwealth. The commission shall consist of 1 member to be appointed by the  
390 department of environmental protection; 1 member to be appointed by the department of

391 telecommunications and energy; 1 member to be appointed by the division of energy resources;  
392 2 members to be appointed by the senate president; 1 member to be appointed by the senate  
393 minority leader; 2 members to be appointed by the speaker of the house of representatives; 1  
394 member to be appointed by the minority leader of the house of representatives; and members to  
395 be appointed by the governor to provide appropriate consumer, environmental, and industry  
396 representation. The commission shall submit a report and recommendations to the secretary of  
397 environmental affairs; office of commonwealth development; the joint committee on  
398 telecommunications, utilities, and energy; the joint committee on environment, natural resources  
399 and agriculture; the joint committee on state administration and regulatory oversight; and the  
400 house and senate clerks by June 30, 2006. The commission shall conduct a study of the current  
401 impediments in state and federal law and regulation to the certification, licensure and  
402 availability for sale in the commonwealth of highly efficient diesel passenger vehicles under the  
403 California LEV II standards and potential methods to address such impediments. It shall also  
404 examine barriers and opportunities for widespread use of biodiesel and low-sulfur biodiesel  
405 fuels for motor vehicles, heating, and other appropriate uses in the commonwealth. From this  
406 study the commission shall submit a plan for the expanded use of biodiesel and low-sulfur  
407 biodiesel fuels in the commonwealth and proposals for new regulations and laws to expand the  
408 use of biodiesel where feasible and appropriate.

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

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

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

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