

**Effective 5/13/2014**

**19-1-404 Department duties -- Rulemaking -- Loan repayment.**

- (1) The department shall:
  - (a) administer the fund created in Section 19-1-403 to encourage government officials and private sector business vehicle owners and operators to obtain and use clean fuel vehicles; and
  - (b) by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules:
    - (i) specifying the amount of money in the fund to be dedicated annually for grants;
    - (ii) limiting the amount of a grant given to any person claiming a tax credit under Section 59-7-605 or 59-10-1009 for the motor vehicle for which a grant is requested to assure that the sum of the tax credit and grant does not exceed:
      - (A) 50% of the incremental cost of the OEM vehicle; or
      - (B) 50% of the cost of conversion equipment;
    - (iii) limiting the number of motor vehicles per fleet operator that may be eligible for a grant in a year;
    - (iv) specifying criteria the department shall consider in prioritizing and awarding loans and grants;
    - (v) specifying repayment periods;
    - (vi) specifying procedures for:
      - (A) awarding loans and grants; and
      - (B) collecting loans; and
    - (vii) requiring all loan and grant applicants to:
      - (A) apply on forms provided by the department;
      - (B) agree in writing to use the clean fuel for which each vehicle is converted or purchased using loan or grant proceeds for a minimum of 70% of the vehicle miles traveled beginning from the time of conversion or purchase of the vehicle;
      - (C) agree in writing to notify the department if a vehicle converted or purchased using loan or grant proceeds becomes inoperable through mechanical failure or accident and to pursue a remedy outlined in department rules;
      - (D) provide reasonable data to the department on a vehicle converted or purchased with loan or grant proceeds; and
      - (E) submit a vehicle converted or purchased with loan or grant proceeds to inspections by the department as required in department rules and as necessary for administration of the loan and grant program.
- (2)
  - (a) When developing repayment schedules for the loans, the department shall consider the projected savings from use of the clean vehicle.
  - (b) A repayment schedule may not exceed 10 years.
  - (c) The department shall make a loan from the fund for a private sector vehicle at an interest rate equal to the annual return earned in the state treasurer's Public Treasurer's Pool as determined the month immediately preceding the closing date of the loan.
  - (d) The department shall make a loan from the fund for a government vehicle with no interest rate.
- (3) The Division of Finance shall:
  - (a) collect and account for the loans; and
  - (b) have custody of all loan documents, including all notes and contracts, evidencing the indebtedness of the fund.

Amended by Chapter 295, 2014 General Session