

1 HOUSE BILL 422

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 Pamelya Herndon

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9  
10 AN ACT

11 RELATING TO THE ENVIRONMENT; CREATING THE CLEAN TRUCK INCENTIVE  
12 PROGRAM IN THE DEPARTMENT OF ENVIRONMENT; ESTABLISHING DUTIES  
13 OF THE DEPARTMENT OF ENVIRONMENT AND ENVIRONMENTAL IMPROVEMENT  
14 BOARD; CREATING THE CLEAN TRUCK INCENTIVE PROGRAM FUND; MAKING  
15 AN APPROPRIATION.

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17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
19 cited as the "Clean Truck Incentive Act".

20 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
21 Clean Truck Incentive Act:

22 A. "eligible vehicle" means a vehicle that operates  
23 with zero carbon dioxide and zero criterion air pollutant  
24 emissions and that has been approved by the department of  
25 environment to participate in the clean truck incentive

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1 program;

2 B. "participating dealer" means a licensed  
3 individual or entity that regularly sells trucks or buses and  
4 has a primary place of business in New Mexico and that has  
5 applied for and been approved by the department of environment  
6 to participate in the clean truck incentive program;

7 C. "rebate certificate" means a certification from  
8 the department of environment that the listed buyer qualifies  
9 for a specific amount to be deducted from the cost of an  
10 eligible vehicle sold by a participating dealer; and

11 D. "reimbursement application" means an application  
12 on a form prescribed by the department of environment that a  
13 participating dealer submits to receive payment for having  
14 deducted the amount in a rebate certificate from the cost of an  
15 eligible vehicle.

16 SECTION 3. [NEW MATERIAL] CLEAN TRUCK INCENTIVE PROGRAM  
17 CREATED.--

18 A. The department of environment shall establish  
19 the "clean truck incentive program" to support the purchase of  
20 zero emission electric trucks and buses for fleets in New  
21 Mexico.

22 B. A participating dealer that sells an eligible  
23 vehicle to a buyer that submits a rebate certificate shall  
24 deduct the amount provided for in the certificate from the  
25 overall cost of the vehicle at the point of sale. The

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1 participating dealer may then apply to the department of  
2 environment for reimbursement in an amount equal to that  
3 provided for in the rebate certificate. The department of  
4 environment shall make a payment to a participating dealer that  
5 submits a complete reimbursement application with proof of the  
6 transaction and rebate certificate.

7 C. Only a vehicle that operates with zero carbon  
8 dioxide and zero criterion air pollutant emissions shall be  
9 eligible for the clean truck incentive program. A buyer that  
10 submits a complete rebate application shall receive a rebate  
11 certificate. Only a dealer that is approved to be a  
12 participating dealer, that receives a rebate certificate and  
13 that deducts the amount provided in the rebate certificate from  
14 the vehicle cost may receive reimbursement.

15 D. As part of the requirements for a rebate  
16 certificate, a buyer shall swear in writing that the buyer will  
17 put a purchased vehicle into service for at least one year to  
18 reduce air pollutant emissions. If a buyer is found to have  
19 violated this provision, the buyer shall be liable to pay back  
20 to the department of environment the full amount of the rebate  
21 certificate deducted from the vehicle's cost.

22 E. The clean truck incentive program shall have  
23 base rebate levels that increase as the gross vehicle weight  
24 rating increases and bonus rebates for meeting certain  
25 criteria, including for historically underserved community

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1 members, small businesses, independent owner-operators, transit  
2 authorities and school districts; provided that a buyer shall  
3 not be eligible for more than two bonus rebates.

4 F. Before approving a vehicle or application, the  
5 department of environment shall convene at least two public  
6 hearings to gather feedback and allow stakeholders, experts and  
7 community members to provide input and recommendations on the  
8 development of the clean truck incentive program.

9 SECTION 4. [NEW MATERIAL] DEPARTMENT DUTIES.--The  
10 department of environment shall:

11 A. seek and apply for federal funding for the clean  
12 truck incentive program;

13 B. process applications and issue rebate  
14 certificates;

15 C. make reimbursement payments to authorized  
16 dealers;

17 D. develop a website for the clean truck incentive  
18 program that shall include program information, eligibility  
19 criteria, forms and applications; and

20 E. convene an advisory committee to develop a  
21 report with proposals for recommended rules for the clean truck  
22 incentive program, a copy of which shall be transmitted to the  
23 environmental improvement board.

24 SECTION 5. [NEW MATERIAL] ENVIRONMENTAL IMPROVEMENT BOARD  
25 DUTIES AND POWERS.--

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1           A. The environmental improvement board shall  
2 promulgate rules and standards to implement the clean truck  
3 incentive program, including:

4                   (1) setting eligibility requirements for zero-  
5 emission vehicles, participating dealers, rebate certificates  
6 and bonus rebates;

7                   (2) determining rebate levels for each vehicle  
8 based on vehicle class;

9                   (3) determining criteria for bonus rebates;

10                   (4) developing an application and  
11 certification process;

12                   (5) developing processes for voucher approval,  
13 voucher redemption and reimbursement application and payment;

14                   (6) establishing reporting requirements and  
15 enforcement mechanisms for a person who purchases a vehicle  
16 through the program and a participating dealer that sells  
17 through the program;

18                   (7) defining key terms; and

19                   (8) compliance with federal requirements.

20           B. The environmental improvement board may  
21 promulgate rules specific to repowered vehicles and rules  
22 otherwise necessary for the successful implementation and  
23 administration of the clean truck incentive program.

24           SECTION 6. [NEW MATERIAL] CLEAN TRUCK INCENTIVE PROGRAM  
25 FUND CREATED.--The "clean truck incentive program fund" is

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1 created as a nonreverting fund in the state treasury. The fund  
2 consists of transfers, appropriations, gifts, grants,  
3 donations, bequests, income from investment of the fund and  
4 other money distributed or otherwise allocated to the fund.  
5 The department of environment shall administer the fund.  
6 Disbursements from the fund shall be made by warrant of the  
7 secretary of finance and administration pursuant to vouchers  
8 signed by the secretary of environment. Money in the fund is  
9 appropriated to the department of environment for the purposes  
10 and administration of the clean truck incentive program.

11 **SECTION 7. APPROPRIATION.**--Of the funds transferred to  
12 the general fund pursuant to the carbon reduction program of  
13 the federal Infrastructure Investment and Jobs Act, four  
14 million two hundred thousand dollars (\$4,200,000) is  
15 appropriated to the clean truck incentive program fund for  
16 expenditure in fiscal year 2024 and subsequent fiscal years for  
17 the purposes of the clean truck incentive program. Any  
18 unexpended or unencumbered balance remaining at the end of a  
19 fiscal year shall not revert to the general fund.