

421

2015-2016 Regular Sessions

I N   A S S E M B L Y

(PREFILED)

January 7, 2015

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Introduced by M. of A. ROSENTHAL, LIFTON -- read once and referred to the Committee on Environmental Conservation

AN ACT to amend the public authorities law and the environmental conservation law, in relation to establishing the state diesel emissions reduction revolving loan fund

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     Section 1. The public authorities law is amended by adding a new  
2     section 1285-s to read as follows:  
3     S 1285-S. DIESEL EMISSIONS REDUCTION PROGRAM. 1. THE CORPORATION IS  
4     AUTHORIZED TO UNDERTAKE A PROGRAM TO PROVIDE FINANCIAL ASSISTANCE TO  
5     STATE AGENCIES AND ELIGIBLE RECIPIENTS TO ENCOURAGE AND SUPPORT THE  
6     PURCHASE OF NEW AND RETROFITTING OF EXISTING HEAVY DUTY VEHICLES IN  
7     ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THIS PROGRAM SHALL BE  
8     KNOWN AS THE DIESEL EMISSIONS REDUCTION PROGRAM AND HEREAFTER SHALL BE  
9     KNOWN AS "THE PROGRAM".  
10    2. AS USED IN THIS SECTION, THE FOLLOWING TERMS HAVE THE FOLLOWING  
11    MEANINGS:  
12    (A) "BEST AVAILABLE RETROFIT TECHNOLOGY" SHALL HAVE THE SAME MEANING  
13    AS SUCH TERM IS DEFINED IN SECTION 19-0323 OF THE ENVIRONMENTAL CONSER-  
14    VATION LAW AND REGULATIONS PROMULGATED THEREUNDER.  
15    (B) "COMMISSIONER" SHALL MEAN THE COMMISSIONER OF ENVIRONMENTAL  
16    CONSERVATION.  
17    (C) "ELIGIBLE PROJECT" SHALL MEAN A PROJECT FOR THE PURCHASE AND  
18    INSTALLATION OF BEST AVAILABLE RETROFIT TECHNOLOGY FOR HEAVY DUTY VEHI-  
19    CLES, INCLUDING THE RETROFIT OF VEHICLES REQUIRED PURSUANT TO SECTION  
20    19-0323 OF THE ENVIRONMENTAL CONSERVATION LAW, AND NONROAD VEHICLES AS  
21    DEFINED BY 42 USC SECTION 7550.  
22    (D) "ELIGIBLE RECIPIENT" SHALL MEAN ANY PERSON, MUNICIPALITY OR STATE  
23    AGENCY SUBJECT TO SECTION 19-0323 OF THE ENVIRONMENTAL CONSERVATION LAW

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 AND ANY PERSON, MUNICIPALITY OR STATE AGENCY THAT IS AN ELIGIBLE ENTITY  
2 PURSUANT TO THE ENERGY POLICY ACT OF 2005 DIESEL EMISSIONS REDUCTION  
3 PROGRAM.

4 (E) "HEAVY DUTY VEHICLE" OR "VEHICLE" SHALL HAVE THE SAME MEANING AS  
5 SUCH TERM IS DEFINED IN SECTION 19-0323 OF THE ENVIRONMENTAL CONSERVA-  
6 TION LAW.

7 (F) "RETROFIT" SHALL MEAN THE ADDITION OF NEW OR ENHANCED POLLUTION  
8 CONTROL AFTER TREATMENT EQUIPMENT TO DIESEL ENGINES, UPGRADING A DIESEL  
9 ENGINE TO A CLEANER CONFIGURATION, AND EARLY REPLACEMENT OF OLDER  
10 ENGINES WITH NEWER CLEANER ENGINES.

11 (G) "FINANCIAL ASSISTANCE TO ELIGIBLE RECIPIENTS" MEANS ANY ONE OR  
12 MORE OF THE FOLLOWING:

13 (I) MAKING LOANS TO ELIGIBLE RECIPIENTS FOR ELIGIBLE PROJECTS,  
14 PROVIDED SUCH LOANS (A) ARE MADE AT MARKET OR BELOW MARKET RATES, (B) DO  
15 NOT HAVE A FINAL MATURITY OF MORE THAN THE PERIOD OF PROBABLE USEFULNESS  
16 AS SET FORTH IN THE LOCAL FINANCE LAW, AND (C) HAVE PRINCIPAL AND INTER-  
17 EST PAYMENTS WHICH COMMENCE NOT LATER THAN ONE YEAR AFTER INSTALLATION  
18 OF THE ELIGIBLE PROJECT;

19 (II) BUYING OR REFINANCING DEBT OBLIGATIONS OF ELIGIBLE RECIPIENTS AT  
20 MARKET OR BELOW MARKET RATES;

21 (III) GUARANTYING, OR PURCHASING INSURANCE OR OTHER CREDIT ENHANCEMENT  
22 FOR ELIGIBLE RECIPIENT OBLIGATIONS WHERE SUCH ACTION WOULD IMPROVE CRED-  
23 IT MARKET ACCESS FOR OR REDUCE INTEREST RATES ON SUCH ELIGIBLE RECIPIENT  
24 OBLIGATIONS;

25 (IV) PROVIDING A SOURCE OF REVENUE OR SECURITY FOR PAYMENT OF PRINCI-  
26 PAL AND INTEREST ON BONDS OR NOTES ISSUED BY THE CORPORATION IF THE  
27 PROCEEDS OF THE SALE OF SUCH BONDS OR NOTES WILL BE DEPOSITED IN THE  
28 FUND;

29 (V) PROVIDING INTEREST RATE SUBSIDY ALLOCATIONS TO SUBSIDIZE LOANS TO  
30 ELIGIBLE RECIPIENTS MADE FROM THE PROCEEDS OF THE CORPORATION'S BONDS OR  
31 NOTES;

32 (VI) PROVIDING GRANTS AND PRINCIPAL FORGIVENESS;

33 (VII) USING INVESTMENT EARNINGS ON MONEYS IN THE FUND TO PAY, PURSUANT  
34 TO SUBDIVISION SEVEN OF THIS SECTION, THE COSTS OF THE CORPORATION AND  
35 THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION OF ADMINISTERING AND MANAG-  
36 ING THE PROGRAM DESCRIBED IN THIS SECTION.

37 3. (A) THERE IS HEREBY ESTABLISHED IN THE CUSTODY OF THE CORPORATION A  
38 FUND TO BE KNOWN AS THE STATE DIESEL EMISSIONS REDUCTION REVOLVING LOAN  
39 FUND (HEREAFTER KNOWN AS "THE FUND"). MONEYS IN THE STATE DIESEL EMIS-  
40 SIONS REDUCTION REVOLVING LOAN FUND SHALL BE SEGREGATED FROM ALL OTHER  
41 FUNDS OF OR IN THE CUSTODY OF THE CORPORATION SUBJECT TO ANY RIGHTS OF  
42 HOLDERS OF CORPORATION BONDS OR NOTES ISSUED FOR THE PURPOSES OF THIS  
43 SECTION. MONEYS IN THE STATE DIESEL EMISSIONS REDUCTION REVOLVING LOAN  
44 FUND SHALL ONLY BE USED IN ACCORDANCE WITH THE PROVISIONS OF THIS  
45 SECTION PROVIDED, HOWEVER, THAT AN AMOUNT OF UP TO FOUR PERCENT OF THE  
46 FUND MAY BE UTILIZED ANNUALLY BY THE CORPORATION TO PAY FOR COSTS OF  
47 ADMINISTERING THE FUND.

48 (B) THE FUND SHALL CONSIST OF THE FOLLOWING:

49 (I) NOTWITHSTANDING ANY LAW TO THE CONTRARY, UP TO FOUR MILLION  
50 DOLLARS FROM STATE FISCAL YEAR NINETEEN HUNDRED  
51 NINETY-SEVEN--NINETY-EIGHT APPROPRIATIONS, OR SUBSEQUENT REAPPROPRIATION  
52 FOR SUCH PROJECT PURSUANT TO SECTION 56-0603 OF THE ENVIRONMENTAL  
53 CONSERVATION LAW, UP TO FOUR MILLION DOLLARS FROM STATE FISCAL YEAR  
54 NINETEEN HUNDRED NINETY-SEVEN--NINETY-EIGHT APPROPRIATIONS, OR SUBSE-  
55 QUENT REAPPROPRIATION FOR SUCH PROJECT PURSUANT TO SECTION 56-0605 OF  
56 THE ENVIRONMENTAL CONSERVATION LAW, UP TO TWO MILLION DOLLARS FROM THE

1 STATE FISCAL YEAR NINETEEN HUNDRED NINETY-SEVEN--NINETY-EIGHT APPROPRI-  
2 ATIONS, OR SUBSEQUENT REAPPROPRIATION FOR SUCH PROJECT PURSUANT TO  
3 SECTION 56-0607 OF THE ENVIRONMENTAL CONSERVATION LAW;

4 (II) ALL MONEYS APPROPRIATED FOR THE PAYMENT OF THE COSTS OF DIESEL  
5 EMISSIONS REDUCTION ACTIVITIES AND EQUIPMENT PURSUANT TO SECTION ONE OF  
6 CHAPTER FIFTY-FIVE OF THE LAWS OF TWO THOUSAND SEVEN, AS REAPPROPRIATED  
7 BY CHAPTER FIFTY-FIVE OF THE LAWS OF TWO THOUSAND NINE, AND AS MAY BE  
8 SUBSEQUENTLY REAPPROPRIATED;

9 (III) ALL MONEYS APPROPRIATED BY THE STATE LEGISLATURE FOR THE PURPOSE  
10 OF THE STATE DIESEL EMISSIONS REDUCTION REVOLVING LOAN FUND OR OTHERWISE  
11 TRANSFERRED BY THE STATE FOR DEPOSIT THEREIN BY THE COMPTROLLER AS  
12 REQUIRED BY LAW;

13 (IV) PAYMENTS OF PRINCIPAL AND INTEREST MADE BY ELIGIBLE RECIPIENTS  
14 PURSUANT TO LOAN OR OTHER AGREEMENTS ENTERED INTO PURSUANT TO SUBDIVI-  
15 SION SIX OF THIS SECTION; PROVIDED, HOWEVER, IF SUCH LOANS WERE FINANCED  
16 BY THE ISSUANCE OF BONDS OR NOTES OF THE CORPORATION, DEPOSIT OF SUCH  
17 PAYMENTS INTO THE FUND SHALL BE SUBJECT TO THE RIGHTS OF THE HOLDERS OF  
18 SUCH BONDS OR NOTES TO RECEIVE SUCH MONIES;

19 (V) INVESTMENT EARNINGS ON AMOUNTS IN THE FUND;

20 (VI) ANY OTHER PAYMENTS RECEIVED FROM RECIPIENTS PURSUANT TO A LOAN OR  
21 OTHER AGREEMENT MADE PURSUANT TO SUBDIVISION SIX OF THIS SECTION FOR  
22 COSTS OF MANAGING AND ADMINISTERING THE PROGRAM; AND

23 (VII) THE PROCEEDS OF BONDS OR NOTES ISSUED BY THE CORPORATION FOR  
24 PURPOSES OF PROVIDING FINANCIAL ASSISTANCE TO ELIGIBLE RECIPIENTS.

25 (C) ADDITIONALLY, THE FOLLOWING SOURCES MAY BE DEPOSITED INTO THE  
26 FUND, SUBJECT TO APPROPRIATION OR TRANSFER:

27 (I) ALL OR A PORTION OF MONEYS PAID TO THE STATE PURSUANT TO ANY  
28 FUTURE REAUTHORIZATION, REAPPROPRIATION, EXTENSION OR EXPANSION OF THE  
29 FEDERAL DIESEL EMISSION REDUCTION ACT OR ADOPTION OF ANY FEDERAL ACT OF  
30 SUBSTANTIALLY SIMILAR PURPOSE;

31 (II) ALL OR A PORTION OF MONEYS PAID TO THE STATE PURSUANT TO  
32 SUBSECTION THREE OF STATE AND TRIBAL ASSISTANCE GRANTS INCLUDED IN TITLE  
33 VII OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; AND

34 (III) ANY OTHER MONEYS PAID TO THE STATE FOR DEPOSIT IN THE FUND.

35 4. MONEYS IN THE STATE DIESEL EMISSIONS REDUCTION REVOLVING LOAN FUND  
36 MAY BE INVESTED AS PROVIDED IN SUBDIVISION FOUR OF SECTION TWELVE  
37 HUNDRED EIGHTY-FOUR AND SUBDIVISION SIX OF SECTION TWELVE HUNDRED  
38 EIGHTY-FIVE-J OF THIS TITLE.

39 5. MONEYS OF THE FUND SHALL BE AVAILABLE ONLY FOR DISTRIBUTION TO  
40 ELIGIBLE PROJECTS PURSUANT TO THIS SECTION THAT ARE APPROVED IN CONSUL-  
41 TATION WITH THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION. THE DEPARTMENT  
42 OF ENVIRONMENTAL CONSERVATION SHALL, IN CONSULTATION WITH THE CORPO-  
43 RATION, DEVELOP GUIDANCE FOR SELECTION OF ELIGIBLE PROJECTS, WHICH SHALL  
44 ESTABLISH ELIGIBILITY CRITERIA FOR DISTRIBUTION OF MONEYS CONTAINED IN  
45 THE FUND CONSISTENT WITH THE PROVISIONS OF THIS SECTION. SUBJECT TO ANY  
46 APPLICABLE FEDERAL REQUIREMENTS, PRIORITY SHALL BE GIVEN TO THOSE  
47 PROJECTS THAT WILL UTILIZE BEST AVAILABLE RETROFIT TECHNOLOGY AND:

48 (A) ARE SUBJECT TO THE REQUIREMENTS OF SECTION 19-0323 OF THE ENVIRON-  
49 MENTAL CONSERVATION LAW;

50 (B) MAXIMIZE PUBLIC HEALTH BENEFITS;

51 (C) PROVIDE THE MOST COST-EFFECTIVE EXPENDITURE OF FUNDS, INCLUDING  
52 REDUCTIONS IN DIESEL EMISSIONS PER DOLLAR EXPENDED; AND

53 (D) SERVE AREAS IN NEW YORK THAT ARE:

54 (I) IN NON ATTAINMENT OF THE NATIONAL AMBIENT AIR QUALITY PRIMARY  
55 STANDARDS ESTABLISHED FOR PARTICULATE MATTER OR OZONE;

(II) ENVIRONMENTAL JUSTICE AREAS AS DESIGNATED BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION; OR

(III) IMPACTED BY HIGHER LEVELS OF VEHICLE TRAFFIC; OR INDUSTRIAL AND COMMERCIAL AREAS INCLUDING BUT NOT LIMITED TO PORTS, AIRPORTS, TRUCK STOPS, RAIL YARDS, TERMINALS AND DISTRIBUTION CENTERS.

6. MONEYS IN THE FUND SHALL BE APPLIED BY THE CORPORATION TO PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE RECIPIENTS FOR ELIGIBLE PROJECTS AND TO PROVIDE FOR THE ADMINISTRATIVE AND MANAGEMENT COSTS OF THE PROGRAM.

7. (A) NOTWITHSTANDING ANY PROVISIONS OF LAW TO THE CONTRARY, THE CORPORATION SHALL DISTRIBUTE MONEYS CONTAINED IN THE FUND AS FOLLOWS:

(I) UNTIL MARCH THIRTY-FIRST, TWO THOUSAND FIFTEEN, TWENTY PERCENT OF THE FUND SHALL BE USED TO PROVIDE GRANTS TO STATE AGENCIES FOR THE RETROFITTING OF VEHICLES SUBJECT TO SECTION 19-0323 OF THE ENVIRONMENTAL CONSERVATION LAW;

(II) THE REMAINDER OF THE FUND SHALL BE USED TO PROVIDE FINANCIAL ASSISTANCE TO ELIGIBLE RECIPIENTS FOR ELIGIBLE PROJECTS THAT MEET THE GOAL OF EMISSIONS REDUCTION IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION AND IN ACCORDANCE WITH ANY APPLICABLE FEDERAL REQUIREMENTS.

8. ELIGIBLE RECIPIENTS MAY SUBMIT APPLICATIONS TO THE CORPORATION IN SUCH MANNER AS THE CORPORATION DIRECTS. ALL APPLICATIONS SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING INFORMATION:

(A) ANY INFORMATION REQUIRED TO DEMONSTRATE ELIGIBILITY TO RECEIVE FEDERAL ASSISTANCE UNDER ANY FEDERAL PROGRAM LISTED IN SUBDIVISION THREE OF THIS SECTION;

(B) CALCULATION OF THE EXTENT TO WHICH INSTALLATION OF THE PROPOSED PROJECT WILL REDUCE DIESEL EMISSIONS;

(C) THE AIR QUALITY DESIGNATION OF THE AREA IN WHICH VEHICLES PROPOSED TO BE RETROFITTED OR REPLACED OPERATE;

(D) EXTENT TO WHICH THE PROPOSED PROJECT MEETS THE PRIORITY CRITERIA OF SUBDIVISIONS FOUR AND FIVE OF THIS SECTION; AND

(E) ANY OTHER INFORMATION THAT THE CORPORATION REQUIRES.

9. THE CORPORATION, IN CONSULTATION WITH THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, IS AUTHORIZED TO:

(A) CONSULT WITH ANY OTHER STATE AGENCY OR PUBLIC AUTHORITY WHICH THE CORPORATION DEEMS APPROPRIATE IN THE DEVELOPMENT OF THE DIESEL RETROFIT EMISSIONS REDUCTION PROGRAM DEVELOPED PURSUANT TO THIS SECTION; AND

(B) PREPARE, IN CONSULTATION WITH SUCH AGENCIES AND AUTHORITIES, AND MAKE AVAILABLE TO THE PUBLIC, DIESEL EMISSIONS REDUCTION PROGRAM MANUALS AND BROCHURES FOR THE PURPOSE OF ENSURING THAT THE STANDARDS AND CRITERIA APPLICABLE TO THE PROGRAM ARE AVAILABLE TO PERSONS WHO MAY WISH TO PARTICIPATE IN THE PROGRAM, TO FACILITATE THE GOALS OF THE PROGRAM.

10. IN ADDITION TO THE POWERS GRANTED TO THE CORPORATION ELSEWHERE IN THIS CHAPTER, THE CORPORATION MAY MAKE LOANS TO ELIGIBLE RECIPIENTS FOR PURPOSES OF FINANCING ELIGIBLE PROJECTS FOR WHICH THE FUND MAY BE USED, SUBJECT TO THE LIMITATIONS OF SUBDIVISION SEVEN OF THIS SECTION, MAY ACCEPT THE OBLIGATIONS OF ANY MUNICIPALITY AS SECURITY FOR THE REPAYMENT OF A LOAN TO AN ELIGIBLE RECIPIENT, AND MAY ASSIGN AND PLEDGE SUCH ELIGIBLE RECIPIENT OBLIGATIONS AND LOAN AGREEMENTS FOR THE BENEFIT OF THE HOLDER OF OBLIGATIONS OF THE CORPORATION FROM THE PROCEEDS OF WHICH SUCH LOANS ARE MADE. LOAN PROCEEDS MAY BE DISBURSED TO AN ELIGIBLE RECIPIENT IN ACCORDANCE WITH SUCH RESTRICTIONS AS MAY BE IMPOSED BY THE CORPORATION IN CONNECTION WITH SUCH LOAN OR OBLIGATIONS OF THE CORPORATION FROM THE PROCEEDS OF WHICH SUCH LOAN IS MADE. IN THE EVENT A MUNICIPALITY SHALL FAIL TO MAKE ANY PAYMENT DUE THE CORPORATION PURSUANT TO ANY LOAN AGREEMENT, FINANCING AGREEMENT, OR OTHER OBLIGATION OF THE MUNICIPALITY SOLD TO THE CORPORATION OR ISSUED AS SECURITY FOR THE

1 UNDERTAKING OF THE MUNICIPALITY THEREUNDER, THE CORPORATION SHALL CERTI-  
2 FY TO THE COMPTROLLER, AND NOTIFY THE CHAIRMAN OF THE SENATE FINANCE  
3 COMMITTEE, THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, THE  
4 DIRECTOR OF THE DIVISION OF THE BUDGET AND THE GOVERNING BODY OF THE  
5 MUNICIPALITY THAT SUCH MUNICIPALITY HAS FAILED TO MAKE SUCH PAYMENT.  
6 SUCH CERTIFICATE SHALL BE IN SUCH FORM AS MAY BE DETERMINED BY THE  
7 CORPORATION PROVIDED SUCH CERTIFICATE SHALL SPECIFY THE EXACT AMOUNT OF  
8 DEBT SERVICE AND SURCHARGE, IF APPLICABLE, REQUIRED TO SATISFY SUCH  
9 MUNICIPALITY'S UNPAID OBLIGATION. THE COMPTROLLER, UPON RECEIPT OF SUCH  
10 CERTIFICATE FROM THE CORPORATION, IS AUTHORIZED TO AND SHALL, TO THE  
11 EXTENT NOT OTHERWISE PROHIBITED BY LAW AND SUBJECT TO ANY OTHER  
12 PROVISION OF LAW PROVIDING FOR WITHHOLDING OF PAYMENTS TO THE MUNICI-  
13 PALITY WHICH TAKE PRECEDENCE OVER THIS SUBDIVISION, WITHHOLD FROM SUCH  
14 MUNICIPALITY THE NEXT SUCCEEDING PAYMENTS OF STATE AID OR LOCAL ASSIST-  
15 ANCE OTHERWISE PAYABLE TO IT TO THE EXTENT NECESSARY TO MEET THE CERTI-  
16 FIED AMOUNT OF DEBT SERVICE AND SURCHARGE, IF APPLICABLE, DUE THE CORPO-  
17 RATION AND SHALL IMMEDIATELY PAY OVER TO THE CORPORATION AS A DEBT  
18 SERVICE PAYMENT ON BEHALF OF SUCH MUNICIPALITY THE AMOUNT SO WITHHELD.

19 11. NO LATER THAN JANUARY THIRTY-FIRST OF EACH CALENDAR YEAR, THE  
20 CORPORATION SHALL SUBMIT TO THE GOVERNOR, THE LEGISLATURE AND THE COMP-  
21 TROLLER A DETAILED REPORT OF EXPENDITURES OF THE FUND. SUCH REPORTS  
22 SHALL INCLUDE AT A MINIMUM:

23 (A) AN ACCOUNTING OF MONEYS PAID INTO THE FUND FROM STATUTORY SOURCES;  
24 (B) AN ACCOUNTING OF MONEYS EXPENDED FOR PURPOSES OF ADMINISTERING THE  
25 FUND;

26 (C) AN ACCOUNTING OF ALL MONEYS PAID OUT OF THE FUND TO ELIGIBLE  
27 PROJECTS, ARRANGED BY PROJECT, STATUTORY PRIORITY LEVEL AND AREA OF THE  
28 STATE;

29 (D) AN ESTIMATION OF THE AMOUNT OF DIESEL EMISSIONS REDUCED BY THE  
30 INSTALLATION OF ELIGIBLE PROJECTS FINANCED BY THE FUND; AND

31 (E) ANY DISCERNIBLE OR ESTIMATED PUBLIC HEALTH BENEFIT BROUGHT ABOUT  
32 BY THESE DIESEL EMISSIONS REDUCTIONS.

33 S 2. Section 56-0603 of the environmental conservation law, as added  
34 by chapter 413 of the laws of 1996, is amended to read as follows:  
35 S 56-0603. State clean-fueled vehicle projects.

36 1. The office of general services is authorized, consistent with the  
37 strategy developed pursuant to subdivision three of section two hundred  
38 one-a of the executive law, to conduct a project to acquire clean-fueled  
39 vehicles [and to develop and acquire the associated infrastructure  
40 including depot construction], AND THE NEW YORK STATE ENVIRONMENTAL  
41 FACILITIES CORPORATION IS AUTHORIZED, CONSISTENT WITH SECTION TWELVE  
42 HUNDRED EIGHTY-FIVE-S OF THE PUBLIC AUTHORITIES LAW, TO DISTRIBUTE  
43 MONIES FOR THE RETROFITTING OF HEAVY DUTY DIESEL ENGINE VEHICLES.

44 2. For the purposes of this section, the term "clean-fueled vehicle"  
45 shall mean any motor vehicle as defined in section one hundred twenty-  
46 five of the vehicle and traffic law, that uses electricity, including  
47 electricity generated from solar energy, either stored or generated  
48 on-board, as its primary motive force, or that is fueled by compressed  
49 natural gas, propane, methanol, hydrogen or ethanol.

50 S 3. Subdivision 1 of section 56-0605 of the environmental conserva-  
51 tion law, as added by chapter 413 of the laws of 1996, is amended to  
52 read as follows:

53 1. The New York state energy research and development authority in  
54 cooperation with the department of transportation OR THE NEW YORK STATE  
55 ENVIRONMENTAL FACILITIES CORPORATION is authorized to make state assist-  
56 ance payments to "clean-fueled buses projects" AND IS AUTHORIZED,

1 CONSISTENT WITH SECTION TWELVE HUNDRED EIGHTY-FIVE-S OF THE PUBLIC  
2 AUTHORITIES LAW, TO DISTRIBUTE MONIES FOR THE RETROFITTING OF HEAVY DUTY  
3 DIESEL ENGINE VEHICLES.

4 S 4. Section 56-0607 of the environmental conservation law, as added  
5 by chapter 413 of the laws of 1996, is amended to read as follows:

6 S 56-0607. Other air quality projects.

7 Of monies received by the state from the sale of bonds pursuant to the  
8 Clean Water/Clean Air Bond Act of 1996, up to twenty million dollars  
9 (\$20,000,000) shall be available for disbursements for air quality  
10 projects pursuant to this section.

11 The commissioner is authorized in consultation with other state agen-  
12 cies as may be necessary, to make state assistance payments or to enter  
13 into contracts in the name of the state for projects that will enhance  
14 the quality of the state's environment and the state's air quality,  
15 INCLUDING COOPERATION WITH THE NEW YORK STATE ENVIRONMENTAL FACILITIES  
16 CORPORATION, TO DISTRIBUTE MONIES FOR THE RETROFITTING OF HEAVY DUTY  
17 DIESEL ENGINE VEHICLES, CONSISTENT WITH SECTION TWELVE HUNDRED  
18 EIGHTY-FIVE-S OF THE PUBLIC AUTHORITIES LAW.

19 S 5. This act shall take effect immediately.