

STATE OF NEW YORK

52

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. ZACCARO, DAVILA -- read once and referred to the
Committee on Transportation

AN ACT to amend the vehicle and traffic law, in relation to a feebate
program for medium and heavy duty vehicles

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. The vehicle and traffic law is amended by adding a new
2 article 17-D to read as follows:

ARTICLE 17-D

FEEBATE PROGRAM FOR MEDIUM AND HEAVY DUTY VEHICLES

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5 Section 499-e. Purpose of article.

6 499-f. Definitions.

7 499-g. Application.

8 499-h. Creation of feebate program.

9 499-i. Public awareness campaign.

10 499-j. Annual report.

11 § 499-e. Purpose of article. There is hereby created a feebate program
12 in which all covered vehicles are subject to either an efficiency fee or
13 an efficiency rebate, based upon such covered vehicle's fuel economy.
14 Such program shall be designed to be revenue neutral and to respond
15 dynamically to market trends, zero emission or near zero emissions model
16 availability, actual and projected covered motor vehicle registration
17 data, and any other such factor the commissioner deems relevant.

18 § 499-f. Definitions. As used in this article, the following terms
19 shall have the following meanings:

20 1. "Covered vehicle" or "covered motor vehicle" shall mean all medium
21 and heavy duty vehicles with a gross vehicle weight rating of greater
22 than ten thousand pounds registered on or after the effective date of
23 this section.

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

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1 2. "Efficiency fee" shall mean a fee levied upon the owner of a
2 covered vehicle based on such vehicle's fuel economy pursuant to subdivi-
3 vision two of section four hundred ninety-nine-h of this article.

4 3. "Efficiency rebate" shall mean a rebate given to the owner of a
5 covered vehicle based on such vehicle's fuel economy pursuant to subdivi-
6 vision three of section four hundred ninety-nine-h of this article.

7 4. "Feebate program" shall refer to the system of efficiency fees and
8 efficiency rebates created in this article.

9 5. "Fuel economy" shall refer to the number of miles a covered vehicle
10 can travel using a specific amount of fuel or a combination of fuels, as
11 reflected in such vehicle's miles per gallon or miles per gallon equiv-
12 alent.

13 6. "Gross vehicle weight rating" shall mean the weight of a vehicle
14 consisting of the unladen weight and the maximum carrying capacity
15 recommended by the manufacturer of such vehicle.

16 7. "Miles per gallon" or "MPG" shall refer to the measure of distance
17 that a covered vehicle running on gasoline or diesel fuel can travel per
18 gallon of such fuel as rated by the Environmental Protection Agency.

19 8. "Miles per gallon gasoline equivalent" or "MPGe" shall refer to the
20 measure of distance that a covered vehicle running on non-liquid fuels
21 can travel per unit of energy as rated by the Environmental Protection
22 Agency.

23 9. "Revenue neutrality" or "revenue neutral" shall mean a goal that
24 the efficiency fees described in subdivision two of section four hundred
25 ninety-nine-h of this article cover the cost of the efficiency rebates
26 described in subdivision three of such section.

27 10. "Near zero emissions" shall mean a vehicle that uses zero emission
28 technologies or technologies that provide a pathway to zero emission
29 operations or that incorporates other technologies that significantly
30 reduce exhaust emissions of any greenhouse gas, criteria pollutant, or
31 precursor pollutant under any and all possible operational modes and
32 conditions.

33 11. "Zero emission" shall mean a vehicle powered by means of a battery
34 or fuel cell or a combination thereof, or another source of power, that
35 produces zero exhaust emissions of any greenhouse gas, criteria pollu-
36 tant or precursor pollutant under any and all possible operational modes
37 and conditions.

38 § 499-g. Application. This article shall apply to all covered vehicles
39 registered on or after the effective date of this section.

40 § 499-h. Creation of feebate program. 1. The commissioner shall either
41 levy an efficiency fee, at the dollar amount described in subdivision
42 two of this section, or furnish an efficiency rebate, at the dollar
43 amount described in subdivision three of this section, upon or to the
44 owner of each covered vehicle required to register in this state pursu-
45 ant to section four hundred one of this title at the time of such regis-
46 tration.

47 2. Efficiency fees. The commissioner shall levy an efficiency fee on
48 every covered vehicle that receives less than 10 MPG or MPGe in accord-
49 ance with the following table:

<u>Fuel economy in MPG or MPGe:</u>	<u>Dollar amount of efficiency fee:</u>
<u>Fewer than 3</u>	<u>\$45,000</u>
<u>At least 3 but less than 5</u>	<u>\$30,000</u>
<u>At least 5 but less than 7</u>	<u>\$20,000</u>
<u>At least 7 but less than 10</u>	<u>\$10,000</u>

1 3. Efficiency rebates. The commissioner shall furnish an efficiency
2 rebate to every covered vehicle that receives at least 10 MPG or MPGe in
3 accordance with the following table:

<u>Fuel economy in MPG or MPGe:</u>	<u>Dollar amount of efficiency rebate:</u>
<u>At least 10 but less than 20</u>	<u>\$45,000</u>
<u>At least 20 but less than 30</u>	<u>\$100,000</u>
<u>At least 30</u>	<u>\$150,000</u>

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8 4. (a) The commissioner, in consultation with the commissioner of
9 environmental conservation and the president of the New York state ener-
10 gy research and development authority, shall annually review and recom-
11 mend adjustments to the efficiency fees and rebates provided in subdivi-
12 sions two and three of this section, respectively, as needed, to the
13 legislature with the goal of maintaining revenue neutrality for the
14 program.

15 (b) The commissioner may examine actual covered motor vehicle regis-
16 tration data for the prior fiscal year, market availability and price
17 points of covered vehicles which are zero emission or near zero emis-
18 sions models, actual and projected fuel economies of covered vehicles,
19 and any other factors the commissioner deems relevant for the adjustment
20 of the dollar amounts of the efficiency fees and rebates set forth in
21 this subdivision.

22 (c) Notwithstanding the provisions of paragraph (a) of this subdivi-
23 sion, the commissioner may use the revenues collected from the efficien-
24 cy fees described in subdivision two of this section to cover the costs
25 of administration of the feebate program and may incorporate such admin-
26 istrative costs into the design of the program when recommending adjust-
27 ments to the efficiency fee and rebate dollar amounts.

28 5. (a) The commissioner shall prominently display the dollar amounts
29 of efficiency fees and efficiency rebates and corresponding fuel econo-
30 mies described in this article on the department's website and shall
31 post a clear and conspicuous notice whenever such dollar amounts or fuel
32 economies are changed.

33 (b) The commissioner shall require that all dealers required to regis-
34 ter with the department under the provisions of section four hundred
35 fifteen of this title prominently display the dollar amounts of effi-
36 ciency fees and efficiency rebates and corresponding fuel economies
37 described herein at such dealers' places of business and on such deal-
38 ers' websites and shall promulgate regulations to effectuate the same.

39 § 499-i. Public awareness campaign. The commissioner shall conduct an
40 educational campaign to make covered vehicle manufacturers, dealers,
41 fleet purchasers, and the general public aware of the provisions of this
42 article. Such campaign may include public service announcements, adver-
43 tisements, media campaigns, mass mailings, conferences, presentations,
44 informational materials in print, electronic, or other media, or any
45 other strategy the commissioner deems fit to inform the public of the
46 feebate program created by this article. Such campaign must include
47 assistance by a natural person by phone and/or email in order to field
48 inquiries about such program.

49 § 499-j. Annual report. 1. No later than one year after the effective
50 date of this section, and annually thereafter, the commissioner shall
51 prepare a report on the feebate program established by this article.
52 Such report shall include:

53 (a) the dollar amounts and thresholds of the efficiency fees and effi-
54 ciency rebates of the prior year;

1 (b) the amount of revenues collected by the department from efficiency
2 fees;

3 (c) the costs of complying with the provisions of this article;

4 (d) the amount of efficiency rebates disbursed to owners of covered
5 vehicles after accounting for the costs described in paragraph (c) of
6 this subdivision;

7 (e) an aggregate description of the number and types of registrations
8 of covered vehicles and the fuel economies in MPG or MPGe of such vehi-
9 cles;

10 (f) recommendations for any legislative changes to this article; and

11 (g) any other information the commissioner deems necessary to include
12 as a description and review of the feebate program.

13 2. Such report shall be delivered to the temporary president of the
14 senate, the speaker of the assembly, and the governor. Such report
15 shall also be posted for public review in a clear and conspicuous manner
16 on the department's website.

17 § 2. This act shall take effect immediately; provided that sections
18 499-e, 499-f, 499-g, 499-h and 499-j of the vehicle and traffic law, as
19 added by section one of this act shall take effect three years after
20 they shall have become a law. Effective immediately, the addition,
21 amendment and/or repeal of any rule or regulation necessary for the
22 implementation of this act on its effective date are authorized to be
23 made and completed on or before such effective date.