STATE OF NEW YORK

2490

2025-2026 Regular Sessions

IN SENATE

January 21, 2025

Introduced by Sens. GOUNARDES, COMRIE -- read twice and ordered printed, and when printed to be committed 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 Assembly, do enact as follows:

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

ARTICLE 17-D

FEEBATE PROGRAM FOR MEDIUM AND HEAVY DUTY VEHICLES

Section 499-e. Purpose of article.
499-f. Definitions.
499-g. Application.
499-h. Creation of feebate program.
499-i. Public awareness campaign.
499-j. Annual report.

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

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

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

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

LBD00519-01-5

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

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

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

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

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

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

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

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

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

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

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

§ 499-h. Creation of feebate program. 1. The commissioner shall either levy an efficiency fee, at the dollar amount described in subdivision two of this section, or furnish an efficiency rebate, at the dollar amount described in subdivision three of this section, upon or to the owner of each covered vehicle required to register in this state pursuant to section four hundred one of this title at the time of such registration.

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

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

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

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

4. (a) The commissioner, in consultation with the commissioner of environmental conservation and the president of the New York state energy research and development authority, shall annually review and recommend adjustments to the efficiency fees and rebates provided in subdivisions two and three of this section, respectively, as needed, to the legislature with the goal of maintaining revenue neutrality for the program.

(b) The commissioner may examine actual covered motor vehicle registration data for the prior fiscal year, market availability and price points of covered vehicles which are zero emission or near zero emissions models, actual and projected fuel economies of covered vehicles, and any other factors the commissioner deems relevant for the adjustment of the dollar amounts of the efficiency fees and rebates set forth in this subdivision.

(c) Notwithstanding the provisions of paragraph (a) of this subdivision, the commissioner may use the revenues collected from the efficiency fees described in subdivision two of this section to cover the costs of administration of the feebate program and may incorporate such administrative costs into the design of the program when recommending adjustments to the efficiency fee and rebate dollar amounts.

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

(b) The commissioner shall require that all dealers required to register with the department under the provisions of section four hundred fifteen of this title prominently display the dollar amounts of efficiency fees and efficiency rebates and corresponding fuel economies described herein at such dealers' places of business and on such dealers' websites and shall promulgate regulations to effectuate the same.

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

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

(a) the dollar amounts and thresholds of the efficiency fees and efficiency rebates of the prior year;

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

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

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

(e) an aggregate description of the number and types of registrations of covered vehicles and the fuel economies in MPG or MPGe of such vehicles;

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

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

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

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