

AN ACT

1 Establishing the Clean Transit Program; and providing a transfer
2 of funds from the Oil and Gas Lease Fund to the Department of
3 Environmental Protection for a loan program for the
4 transition of large mass transit bus fleets to compressed
5 natural gas.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Clean Transit
10 Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Department." The Department of Environmental Protection of
16 the Commonwealth.

17 "Large mass transit authority." A mass transit authority
18 located in this Commonwealth that exceeds 245,000 revenue
19 vehicle hours for two consecutive years.

1 "Mass transit authority." An operator of regularly scheduled
2 transportation that is available to the general public and is
3 provided according to published schedules along designated
4 published routes with specified stopping points for the taking
5 on and discharging of passengers. The term does not include
6 exclusive ride taxi services, charter or sightseeing services,
7 nonpublic transportation or school bus or limousine services.

8 "Program." The Clean Transit Program.

9 Section 3. Clean Transit Program.

10 (a) Establishment.--The department shall establish and
11 administer the Clean Transit Program.

12 (b) Purpose.--The program is established in order to
13 decrease emissions from mass transit buses by utilizing natural
14 gas as a vehicle fuel.

15 (c) Transfer of funds.--The State Treasurer shall transfer
16 from the Oil and Gas Lease Fund to the department the sum of
17 \$7,500,000 to fund the program.

18 (d) Use of funds.--The sum of \$7,500,000 shall be deposited
19 into a fund to be administered by the department and made
20 available to large mass transit authorities for the conversion
21 of buses to run on compressed natural gas as a fuel source, to
22 purchase buses which use compressed natural gas as a fuel source
23 or to construct generation facilities powered by compressed
24 natural gas for the purpose of powering rail transit. The
25 following shall apply:

26 (1) The money in the fund shall be appropriated on a
27 continuing basis.

28 (2) No more than 1.5% of the fund may be used for
29 administration.

30 (3) The department may set terms applicable to loans in

1 any manner it deems appropriate, subject to the provisions of
2 this act.

3 (e) Application process.--

4 (1) A mass transit authority must complete and submit to
5 the department a clean transit loan application.

6 (2) Approved applications must obligate the mass transit
7 authority to contract with a private company:

8 (i) to build exclusively with private funds; and

9 (ii) to maintain and operate any new compressed
10 natural gas fueling facility necessary to support
11 compressed natural gas buses purchased with funds
12 received under this act.

13 (3) The term "operate" as used in this subsection shall
14 not include the actual act of fueling buses.

15 (f) Eligible costs.--

16 (1) Loan funds received under this act shall be eligible
17 for:

18 (i) Federally assisted bus purchases and shall be
19 limited to the total percentage of the State and local
20 match portion applied only to the incremental cost of a
21 new compressed natural gas bus or compressed natural gas
22 bus conversion.

23 (ii) Nonfederally assisted bus purchases and shall
24 be limited to 50% of the total incremental cost of a new
25 compressed natural gas bus or compressed natural gas bus
26 conversion.

27 (2) The incremental cost shall be capped at \$50,000 for
28 buses which have a gross vehicle weight rating over 26,000
29 pounds and \$25,000 for buses with a gross vehicle weight
30 rating of 26,000 pounds and under.

1 (3) Buses with a gross vehicle weight rating of 14,000
2 pounds or less shall be ineligible.

3 (4) Priority shall be given to those applications which
4 provide for public access to compressed natural gas vehicle
5 fueling dispensers.

6 (g) Loan program.--The department shall establish a formula
7 and method for awarding of loans under the program consistent
8 with this act.

9 (h) Fund repayment.--

10 (1) Loans disbursed from the fund under subsection (d)
11 shall be repaid within five years from disbursement and
12 before June 30, 2023.

13 (2) On June 30, 2023, no money shall be deposited into
14 the fund and any remaining money in the fund shall be
15 transferred to the Oil and Gas Lease Fund.

16 (3) The interest rate for loans provided by the program
17 shall be 2%.

18 (i) Appeal process.--Applicants that are not awarded grants
19 under this act shall not have the right to a hearing or the
20 issuance of an adjudication under section 4 of the act of July
21 13, 1988 (P.L.530, No.94), known as the Environmental Hearing
22 Board Act, regarding the department's decision.

23 Section 20. Effective date.

24 This act shall take effect in 60 days.