

# Legislative Analysis



## REQUIRE STATE AGENCIES TO PURCHASE ALTERNATIVE ENERGY VEHICLES

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House Bill 5042

Sponsor: Rep. Alma Wheeler Smith

Committee: Energy and Technology

Complete to 12-7-09

### A SUMMARY OF HOUSE BILL 5042 AS INTRODUCED 6-4-09

The bill would require the Department of Management and Budget (DMB) to issue directives by December 31, 2009, requiring state agencies to purchase more alternative energy vehicles (such as electric and hybrid electric vehicles) and to retrofit newer trucks to run on alternative fuels or make them more fuel efficient. In general, the directives would require "the purchase and retrofitting of state owned motor vehicles to achieve the greatest fuel efficiency and use of alternatives fuels that is practicable at a reasonable cost."

The DMB directives would include the following goals by class of vehicle:

**Lightweight trucks.** After December 31, 2009, a state agency could only purchase lightweight trucks that are "alternative energy vehicles" (as defined in MCL 207.822), preferably ones that use an alternative fuel other than an E85 fuel (as defined MCL.125.2078).

**Passenger vehicles.** After December 31, 2009, at least 50 percent of the passenger motor vehicles purchased annually by a state agency would have to be "alternative energy vehicles."

**Trucks.** All state-owned trucks (model years 2007 and later) would have to be retrofitted to achieve greater fuel efficiency or to operate on alternative fuels if a retrofit would be cost efficient. (According to the bill sponsor's office, "model years 2007 and later" means 2007 models and more recent ones.)

The term "alternative energy vehicle" in MCL 207.822(f) includes "alternative fuel vehicles" that run on a clean fuel, fuel cell vehicles, electric vehicles, hybrid vehicles, solar vehicles, and hybrid electric vehicles.

### FISCAL IMPACT:

There would be minimal administrative costs to the state associated with issuing directives. With regard to the goals of the first two directives, there would be an indeterminate amount of increased costs to the state. The state purchases lightweight trucks and passenger vehicles on an annual basis. The amount of increased costs would

depend on the number of trucks and vehicles purchased. The Department of Management and Budget estimates it would cost as much as \$10,000 more for each lightweight truck purchased. Directive number three would be cost-neutral, as the state would not be required to retrofit if the savings do not make it cost efficient to do so.

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