

111TH CONGRESS
1ST SESSION

H. R. 2751

AN ACT

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high polluting automobiles to replace such automobiles with new fuel efficient and less polluting automobiles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Consumer Assistance
3 to Recycle and Save Act”.

4 **SEC. 2. TEMPORARY VEHICLE TRADE-IN PROGRAM.**

5 (a) ESTABLISHMENT.—There is established in the
6 National Highway Traffic Safety Administration a vol-
7 untary program to be known as the “Consumer Assistance
8 to Recycle and Save Program” through which the Sec-
9 retary of Transportation (hereinafter in this section re-
10 ferred to as the “Secretary”), in accordance with this Act
11 and the regulations promulgated under subsection (d),
12 shall—

13 (1) authorize the issuance of an electronic
14 voucher, subject to the specifications set forth in
15 subsection (e), to offset the purchase price or lease
16 price for a qualifying lease of a new fuel efficient
17 automobile upon the surrender of an eligible trade-
18 in vehicle to a dealer participating in the Program;

19 (2) register dealers for participation in the Pro-
20 gram and require all registered dealers—

21 (A) to accept vouchers as provided in this
22 section as partial payment or down payment for
23 the purchase or qualifying lease of any new fuel
24 efficient automobile offered for sale or lease by
25 that dealer; and

1 (B) in accordance with subsection (c)(2),
2 to transfer each eligible trade-in vehicle surren-
3 dered to the dealer under the Program to an
4 entity for disposal;

5 (3) in consultation with the Secretary of the
6 Treasury, make electronic payments to dealers for
7 eligible transactions accepted by such dealers, in ac-
8 cordance with the regulations issued under sub-
9 section (d); and

10 (4) in consultation with the Secretary of Treas-
11 ury and the Inspector General of the Department of
12 Transportation, establish and provide for the en-
13 forcement of measures to prevent and penalize fraud
14 under the Program.

15 (b) QUALIFICATIONS FOR AND VALUE OF VOUCH-
16 ERS.—A voucher issued under the Program shall have a
17 value that may be applied to offset the purchase price or
18 lease price for a qualifying lease of a new fuel efficient
19 automobile as follows:

20 (1) \$3,500 VALUE.—The voucher may be used
21 to offset the purchase price or lease price of the new
22 fuel efficient automobile by \$3,500 if—

23 (A) the new fuel efficient automobile is a
24 passenger automobile and the combined fuel
25 economy value of such automobile is at least 4

1 miles per gallon higher than the combined fuel
2 economy value of the eligible trade-in vehicle;

3 (B) the new fuel efficient automobile is a
4 category 1 truck and the combined fuel econ-
5 omy value of such truck is at least 2 miles per
6 gallon higher than the combined fuel economy
7 value of the eligible trade-in vehicle;

8 (C) the new fuel efficient automobile is a
9 category 2 truck that has a combined fuel econ-
10 omy value of at least 15 miles per gallon and—

11 (i) the eligible trade-in vehicle is a
12 category 2 truck and the combined fuel
13 economy value of the new fuel efficient
14 automobile is at least 1 mile per gallon
15 higher than the combined fuel economy
16 value of the eligible trade-in vehicle; or

17 (ii) the eligible trade-in vehicle is a
18 category 3 truck of model year 2001 or
19 earlier; or

20 (D) the new fuel efficient automobile is a
21 category 3 truck and the eligible trade-in vehi-
22 cle is a category 3 truck of model year of 2001
23 or earlier and is of similar size or larger than
24 the new fuel efficient automobile as determined
25 in a manner prescribed by the Secretary.

1 (2) \$4,500 VALUE.—The voucher may be used
2 to offset the purchase price or lease price of the new
3 fuel efficient automobile by \$4,500 if—

4 (A) the new fuel efficient automobile is a
5 passenger automobile and the combined fuel
6 economy value of such automobile is at least 10
7 miles per gallon higher than the combined fuel
8 economy value of the eligible trade-in vehicle;

9 (B) the new fuel efficient automobile is a
10 category 1 truck and the combined fuel econ-
11 omy value of such truck is at least 5 miles per
12 gallon higher than the combined fuel economy
13 value of the eligible trade-in vehicle; or

14 (C) the new fuel efficient automobile is a
15 category 2 truck that has a combined fuel econ-
16 omy value of at least 15 miles per gallon and
17 the combined fuel economy value of such truck
18 is at least 2 miles per gallon higher than the
19 combined fuel economy value of the eligible
20 trade-in vehicle and the eligible trade-in vehicle
21 is a category 2 truck.

22 (c) PROGRAM SPECIFICATIONS.—

23 (1) LIMITATIONS.—

24 (A) GENERAL PERIOD OF ELIGIBILITY.—A
25 voucher issued under the Program shall be used

1 only in connection with the purchase or quali-
2 fying lease of new fuel efficient automobiles
3 that occur between—

4 (i) the date of enactment of this Act;

5 and

6 (ii) the date that is 1 year after the
7 date on which the regulations promulgated
8 under subsection (d) are implemented.

9 (B) NUMBER OF VOUCHERS PER PERSON
10 AND PER TRADE-IN VEHICLE.—Not more than
11 1 voucher may be issued for a single person and
12 not more than 1 voucher may be issued for the
13 joint registered owners of a single eligible trade-
14 in vehicle.

15 (C) NO COMBINATION OF VOUCHERS.—
16 Only 1 voucher issued under the Program may
17 be applied toward the purchase or qualifying
18 lease of a single new fuel efficient automobile.

19 (D) CAP ON FUNDS FOR CATEGORY 3
20 TRUCKS.—Not more than 7.5 percent of the
21 total funds made available for the Program
22 shall be used for vouchers for the purchase or
23 qualifying lease of category 3 trucks.

24 (E) COMBINATION WITH OTHER INCEN-
25 TIVES PERMITTED.—The availability or use of a

1 Federal, State, or local incentive or a State-
2 issued voucher for the purchase or lease of a
3 new fuel efficient automobile shall not limit the
4 value or issuance of a voucher under the Pro-
5 gram to any person otherwise eligible to receive
6 such a voucher.

7 (F) NO ADDITIONAL FEES.—A dealer par-
8 ticipating in the program may not charge a per-
9 son purchasing or leasing a new fuel efficient
10 automobile any additional fees associated with
11 the use of a voucher under the Program.

12 (G) NUMBER AND AMOUNT.—The total
13 number and value of vouchers issued under the
14 Program may not exceed the amounts appro-
15 priated for such purpose.

16 (2) DISPOSITION OF ELIGIBLE TRADE-IN VEHI-
17 CLES.—

18 (A) IN GENERAL.—For each eligible trade-
19 in vehicle surrendered to a dealer under the
20 Program, the dealer shall certify to the Sec-
21 retary, in such manner as the Secretary shall
22 prescribe by rule, that the dealer—

23 (i) will arrange for the vehicle's title
24 to be transferred to the United States and

1 will accept possession of the vehicle on be-
2 half of the United States;

3 (ii) has not and will not sell, lease, ex-
4 change, or otherwise dispose of the vehicle
5 for use as an automobile in the United
6 States or in any other country; and

7 (iii) will transfer, on behalf of the
8 United States, the vehicle (including the
9 engine block) and the vehicle's title, in
10 such manner as the Secretary prescribes,
11 to an entity that will ensure that the vehi-
12 cle—

13 (I) will be crushed or shredded
14 within such period and in such man-
15 ner as the Secretary prescribes; and

16 (II) has not been, and will not
17 be, sold, leased, exchanged, or other-
18 wise disposed of for use as an auto-
19 mobile in the United States or in any
20 other country.

21 (B) SAVINGS PROVISION.—Nothing in sub-
22 paragraph (A) may be construed to preclude a
23 person who is responsible for ensuring that the
24 vehicle is crushed or shredded from—

1 (i) selling any parts of the disposed
2 vehicle other than the engine block and
3 drive train (unless the transmission, drive
4 shaft, or rear end are sold as separate
5 parts); or

6 (ii) retaining the proceeds from such
7 sale.

8 (C) COORDINATION.—The Secretary shall
9 coordinate with the Attorney General to ensure
10 that the National Motor Vehicle Title Informa-
11 tion System and other publicly accessible sys-
12 tems are appropriately updated on a timely
13 basis to reflect the crushing or shredding of ve-
14 hicles under this Act and appropriate re-classi-
15 fication of the vehicles' titles. The commercial
16 market shall also have electronic and commer-
17 cial access to the vehicle identification numbers
18 of vehicles that have been disposed of on a
19 timely basis.

20 (d) REGULATIONS.—Notwithstanding the require-
21 ments of section 553 of title 5, United States Code, the
22 Secretary shall promulgate final regulations to implement
23 the Program not later than 30 days after the date of the
24 enactment of this Act. Such regulations shall—

1 (1) provide for a means of registering dealers
2 for participation in the program;

3 (2) establish procedures for the reimbursement
4 of dealers participating in the Program to be made
5 through electronic transfer of funds for the amount
6 of the vouchers as soon as practicable but no longer
7 than 10 days after the submission of information
8 supporting the eligible transaction, as determined
9 appropriate by the Secretary;

10 (3) require the dealer to use the voucher in ad-
11 dition to any other rebate or discount advertised by
12 the dealer or offered by the manufacturer for the
13 new fuel efficient automobile and prohibit the dealer
14 from using the voucher to offset any such other re-
15 bate or discount;

16 (4) require dealers to disclose to the person
17 trading in an eligible trade in vehicle the best esti-
18 mate of the scrappage value of such vehicle;

19 (5) require dealers to accept on behalf of the
20 United States, and Transfer to the Secretary of the
21 Treasury, the amount paid for scrappage of the ve-
22 hicle up to \$60;

23 (6) permit the dealer to retain any amounts
24 paid to the dealer for scrappage of the automobile
25 in excess of the \$60 amount referred to in para-

1 graph (5) and designate \$50 of such excess as pay-
2 ment for any administrative costs to the dealer asso-
3 ciated with participation in the Program;

4 (7) clarify that dealers will not be reimbursed
5 for any storage fees or other costs associated with
6 their custodial handling of the eligible trade-in vehi-
7 cle;

8 (8) consistent with subsection (c)(2), establish
9 requirements and procedures for the disposal of eli-
10 gible trade-in vehicles and provide such information
11 as may be necessary to entities engaged in such dis-
12 posal to ensure that such vehicles are disposed of in
13 accordance with such requirements and procedures,
14 including—

15 (A) requirements for the removal and ap-
16 propriate disposition of refrigerants, antifreeze,
17 lead products, mercury switches, and such other
18 toxic or hazardous vehicle components prior to
19 the crushing or shredding of an eligible trade-
20 in vehicle, in accordance with rules established
21 by the Secretary in consultation with the Ad-
22 ministrator of the Environmental Protection
23 Agency, and in accordance with other applicable
24 Federal or State requirements;

1 (B) a mechanism for dealers to certify to
2 the Secretary that each eligible trade-in vehicle
3 will be transferred by the dealer on behalf of
4 the United States to an entity that will ensure
5 that the vehicle is disposed of, in accordance
6 with such requirements and procedures, and to
7 submit the vehicle identification numbers of the
8 vehicles disposed of and the new fuel efficient
9 automobile purchased with each voucher;

10 (C) a mechanism for obtaining such other
11 certifications as determined necessary by the
12 Secretary from entities engaged in vehicle dis-
13 posal; and

14 (D) a list of entities to which dealers may
15 transfer eligible trade-in vehicles for disposal;
16 and

17 (9) provide for the enforcement of the penalties
18 described in subsection (e).

19 (e) ANTI-FRAUD PROVISIONS.—

20 (1) VIOLATION.—It shall be unlawful for any
21 person to violate any provision under this Act or any
22 regulations issued pursuant to subsection (d) (other
23 than by making a clerical error).

24 (2) PENALTIES.—Any person who commits a
25 violation described in paragraph (1) shall be liable to

1 the United States Government for a civil penalty of
2 not more than \$15,000 for each violation. The Sec-
3 retary shall have the authority to assess and com-
4 promise such penalties, and shall have the authority
5 to require from any entity the records and inspec-
6 tions necessary to enforce this program. In deter-
7 mining the amount of the civil penalty, the severity
8 of the violation and the intent of the person commit-
9 ting the violation shall be taken into account.

10 (f) INFORMATION TO CONSUMERS AND DEALERS.—

11 Not later than 30 days after the date of enactment of this
12 Act, and promptly upon the update of any relevant infor-
13 mation, the Secretary, in consultation with the Adminis-
14 trator of the Environmental Protection Agency, shall
15 make available on an Internet website and through other
16 means determined by the Secretary information about the
17 Program, including—

18 (1) how to determine if a vehicle is an eligible
19 trade-in vehicle;

20 (2) how to participate in the Program, includ-
21 ing how to determine participating dealers; and

22 (3) a comprehensive list, by make and model, of
23 new fuel efficient automobiles meeting the require-
24 ments of the Program.

1 Once such information is available, the Secretary shall
2 conduct a public awareness campaign to inform consumers
3 about the Program and where to obtain additional infor-
4 mation.

5 (g) RECORD KEEPING AND REPORT.—

6 (1) DATABASE.—The Secretary shall maintain
7 a database of the vehicle identification numbers of
8 all new fuel efficient vehicles purchased or leased
9 and all eligible trade-in vehicles disposed of under
10 the Program.

11 (2) REPORT ON THE EFFICACY OF THE PRO-
12 GRAM.—Not later than 60 days after the termi-
13 nation date described in subsection (c)(1)(A)(ii), the
14 Secretary shall submit a report to the Committee on
15 Energy and Commerce of the House of Representa-
16 tives and the Committee on Commerce, Science, and
17 Transportation of the Senate describing the efficacy
18 of the Program, including—

19 (A) a description of program results, in-
20 cluding—

21 (i) the total number and amount of
22 vouchers issued for purchase or lease of
23 new fuel efficient automobiles by manufac-
24 turer (including aggregate information

1 concerning the make, model, model year)
2 and category of automobile;

3 (ii) aggregate information regarding
4 the make, model, model year, and manu-
5 facturing location of vehicles traded in
6 under the Program; and

7 (iii) the location of sale or lease;

8 (B) an estimate of the overall increase in
9 fuel efficiency in terms of miles per gallon, total
10 annual oil savings, and total annual greenhouse
11 gas reductions, as a result of the Program; and

12 (C) an estimate of the overall economic
13 and employment effects of the Program.

14 (h) TREATMENT OF PAYMENT.—

15 (1) FOR FEDERAL AND STATE PROGRAMS.—A
16 voucher under this Act or any payment made for
17 such a voucher pursuant to subsection (a)(3) shall
18 not be considered income and shall not be considered
19 as a resource for the month of receipt and the fol-
20 lowing 12 months, for purposes of determining the
21 eligibility of the recipient (or the recipient's spouse
22 or other family or household members) for benefits
23 or assistance, or the amount or extent of benefits or
24 assistance, under any Federal or State program.

1 (2) FOR PURPOSES OF TAXATION.—A voucher
2 under this Act, or any payment made for such a
3 voucher pursuant to subsection (a)(3), shall not be
4 considered as gross income of the purchaser of a ve-
5 hicle under this Act for purposes of the Internal
6 Revenue Code of 1986.

7 (i) DEFINITIONS.—As used in this Act—

8 (1) the term “passenger automobile” means a
9 passenger automobile, as defined in section
10 32901(a)(18) of title 49, United States Code, that
11 has a combined fuel economy value of at least 22
12 miles per gallon;

13 (2) the term “category 1 truck” means a non-
14 passenger automobile, as defined in section
15 32901(a)(17) of title 49, United States Code, that
16 has a combined fuel economy value of at least 18
17 miles per gallon, except that such term does not in-
18 clude a category 2 truck;

19 (3) the term “category 2 truck” means a large
20 van or a large pickup, as categorized by the Sec-
21 retary using the method used by the Environmental
22 Protection Agency and described in the report enti-
23 tled “Light-Duty Automotive Technology and Fuel
24 Economy Trends: 1975 through 2008”;

1 (4) the term “category 3 truck” means a work
2 truck, as defined in section 32901(a)(19) of title 49,
3 United States Code;

4 (5) the term “combined fuel economy value”
5 means—

6 (A) with respect to a new fuel efficient
7 automobile, the number, expressed in miles per
8 gallon, centered below the words “Combined
9 Fuel Economy” on the label required to be af-
10 fixed or caused to be affixed on a new auto-
11 mobile pursuant to subpart D of part 600 of
12 title 40 Code of Federal Regulations;

13 (B) with respect to an eligible trade-in ve-
14 hicle, the equivalent of the number described in
15 subparagraph (A), and posted under the words
16 “Estimated New EPA MPG” and above the
17 word “Combined” for vehicles of model year
18 1985 through 2007, or posted under the words
19 “New EPA MPG” and above the word “Com-
20 bined” for vehicles of model year 2008 or later
21 on the fueleconomy.gov website of the Environ-
22 mental Protection Agency for the make, model,
23 and year of such vehicle; or

24 (C) with respect to an eligible trade-in ve-
25 hicle manufactured between model years 1978

1 through 1984, the equivalent of the number de-
2 scribed in subparagraph (A) as determined by
3 the Secretary (and posted on the website of the
4 National Highway Traffic Safety Administra-
5 tion) using data maintained by the Environ-
6 mental Protection Agency for the make, model,
7 and year of such vehicle;

8 (6) the term “dealer” means a person licensed
9 by a State who engages in the sale of new auto-
10 mobiles to ultimate purchasers;

11 (7) the term “eligible trade-in vehicle” means
12 an automobile or a work truck (as such terms are
13 defined in section 32901(a) of title 49, United
14 States Code) that, at the time it is presented for
15 trade-in under this Act—

16 (A) is in drivable condition;

17 (B) has been continuously insured con-
18 sistent with the applicable State law and reg-
19 istered to the same owner for a period of not
20 less than 1 year immediately prior to such
21 trade-in;

22 (C) was manufactured in model year 1984
23 or later; and

1 (D) in the case of an automobile, has a
2 combined fuel economy value of 18 miles per
3 gallon or less;

4 (8) the term “new fuel efficient automobile”
5 means an automobile described in paragraph (1),
6 (2), (3), or (4)—

7 (A) the equitable or legal title of which has
8 not been transferred to any person other than
9 the ultimate purchaser;

10 (B) that carries a manufacturer’s sug-
11 gested retail price of \$45,000 or less;

12 (C) that—

13 (i) in the case of passenger auto-
14 mobiles, category 1 trucks, or category 2
15 trucks, is certified to applicable standards
16 under section 86.1811–04 of title 40, Code
17 of Federal Regulations; or

18 (ii) in the case of category 3 trucks,
19 is certified to the applicable vehicle or en-
20 gine standards under section 86.1816–08,
21 86–007–11, or 86.008–10 of title 40, Code
22 of Federal Regulations; and

23 (D) that has the combined fuel economy
24 value of at least—

1 (i) 22 miles per gallon for a passenger
2 automobile;

3 (ii) 18 miles per gallon for a category
4 1 truck; or

5 (iii) 15 miles per gallon for a category
6 2 truck;

7 (9) the term “Program” means the Consumer
8 Assistance to Recycle and Save Program established
9 by this Act;

10 (10) the term “qualifying lease” means a lease
11 of an automobile for a period of not less than 5
12 years;

13 (11) the term “scrappage value” means the
14 amount received by the dealer for a vehicle upon
15 transferring title of such vehicle to the person re-
16 sponsible for ensuring the dismantling and destroy-
17 ing the vehicle;

18 (12) the term “Secretary” means the Secretary
19 of Transportation acting through the National High-
20 way Traffic Safety Administration;

21 (13) the term “ultimate purchaser” means,
22 with respect to any new automobile, the first person
23 who in good faith purchases such automobile for
24 purposes other than resale;

1 (14) the term “voucher” means an electronic
2 transfer of funds to a dealer based on an eligible
3 transaction under this program; and

4 (15) the term “vehicle identification number”
5 means the 17-character number used by the auto-
6 mobile industry to identify individual automobiles.

7 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
8 authorized to be appropriated to the Secretary of Trans-
9 portation \$4,000,000,000 to carry out this Act.

Passed the House of Representatives June 9, 2009.

Attest:

Clerk.

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1ST SESSION

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AN ACT

To accelerate motor fuel savings nationwide and provide incentives to registered owners of high polluting automobiles to replace such automobiles with new fuel efficient and less polluting automobiles.