

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2751

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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.

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.*

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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**H. R. 2751**

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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.