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### Overview

A federal court approved an agreement with Volkswagen called the VW Mitigation Settlement. Under one part of this settlement, Volkswagen has agreed to place \$2.7 billion in an environmental mitigation trust fund. The state of Minnesota expects to receive a portion of this fund, about \$47 million in total, metered out from 2017 to 2027. The Minnesota Pollution Control Agency (MPCA) is the designated environmental authority in Minnesota overseeing how the Minnesota funds should be allocated. The MPCA is currently taking public input on how the funds should be used. More information about the settlement can be found on the MPCA website: <https://www.pca.state.mn.us/air/volkswagen-settlement>

One eligible use of the funds is to replace certain school buses. This bill requires the MPCA annually to set aside \$1.5 million of the total funding for grants to school districts and charter schools to convert a portion of their school bus fleet to propane powered school buses.

### Section

- 1 Propane school buses and fueling station rebate program.** Creates a program that allows school districts and charter schools to apply to the MPCA for a grant to purchase propane powered school buses and propane fueling stations. The maximum grant per bus is the lesser of 25 percent of the total bus cost or \$25,000. A school may apply for up to five bus rebates a year. A school may also apply for one annual grant to pay for a portion of the cost of a propane fueling station. This grant is limited to the lesser of 50 percent of the project cost or \$50,000.