



## **BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION**

Monday, May 23, 2016, Noon  
City Hall Conference Room  
364 N. Lake St.  
Boyne City, MI 49712



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- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**  
Excused Absences
- 3. READING AND APPROVAL OF MINUTES**  
Approval of January 11, 2016 meeting minutes
- 4. HEARING CITIZENS PRESENT (ON NON-AGENDA ITEMS)**
- 5. CORRESPONDENCE**
- 6. REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES**
- 7. UNFINISHED BUSINESS**
  - a. Terms of Office
    - Pat Anzell, Kelly Bellant and Pete Friedrich
  - b. Election of Officers
  - c. Business Park Update
- 8. NEW BUSINESS**
  - a. Classis Instruments Regulatory Issue
    - Clean Air Act Regulation
  - b. Other
- 9. GOOD OF THE ORDER**
- 10. ANNOUNCEMENTS**
  - The next regular meeting is scheduled for July 11, 2016
- 11. ADJOURNMENT**

*Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance:*

*Cindy Grice, City Clerk/Treasurer, 364 North Lake Street, Boyne City, Michigan 49712 (231) 582-0334*



Approved \_\_\_\_\_

**MEETING OF  
JANUARY 11, 2016**

**MINUTES OF THE BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION  
MEETING DULY CALLED AND HELD ON MONDAY, JANUARY 11, 2016 at CITY  
HALL~319 N Lake St, Boyne City**

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**CALL TO ORDER**

Chair Gillett called the meeting to order at 12:01 p.m.

**ROLL CALL**

Present: Kelly Bellant, Michael Cain, Michelle Cortright, Ralph Gillett, Todd Fewins,  
Pete Friedrich, Pat Anzell and Marilea Grom arrived at 12:05 p.m.  
Absent: Josette Lory

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**MEETING  
ATTENDENCE**

Staff: Recording Secretary Lisa Schrock  
Public: One

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**EXCUSED ABSENCE  
MOTION**

**Cain moved Cortright seconded PASSED UNANIMOUSLY** to excuse Josette Lory

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**MINUTE APPROVAL  
MOTION**

**Cortright moved Cain seconded PASSED UNANIMOUSLY** to approve the minutes  
of November 9, 2015 with the addition of the location of the meeting at Lexamar.

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**CORRESPONDENCE**

None

**UNFINISHED BUSINESS**

**Business Park Update:** Cain spoke with the trucking freight company president that is  
purchasing the Federal Screw building. They may be interested in purchasing the lot south of  
them. Cain is unsure if any jobs will be created. IMI- Has two phases for expansion and the  
second phase will be starting soon. The board may tour IMI in the spring or summer.

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**NEXT MEETING**

The next meeting of the Local Development Finance Authority is scheduled for Monday,  
March 14, 2016.

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**ADJOURNMENT**

The January 11, 2016 Economic Development Corporation meeting was adjourned at 12:22  
p.m.

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Lisa Schrock, Recording Secretary

## RPM Act Ensures Motor Vehicles May Be Modified Into Racecars

- **Legislation:** To ensure automotive enthusiasts continue to have the ability to modify motor vehicles into vehicles used solely for competition...
  - H.R.4715, Recognizing the Protection of Motorsports Act of 2016  
*Sponsor:* Rep. Patrick McHenry [NC-10] & 84 cosponsors  
*Latest Major Action:* 3/7/2016 Referred to House Committee on Energy and Commerce.
  - S.2659, Recognizing the Protection of Motorsports Act of 2016  
*Sponsor:* Sen. Richard Burr [NC] & 12 cosponsors  
*Latest Major Action:* 3/9/2016 Referred to Senate Committee on Environment and Public Works.
- **Issue:** The Clean Air Act prohibits the EPA from regulating racecars (“vehicles used solely for competition”). In July 2015, the EPA issued a provision (see below) within the proposed Phase 2 Medium- and Heavy-Duty Greenhouse Gas Standards clarifying that the agency has always considered it illegal to convert motor vehicles into racecars and sell emissions-related parts for use on these converted vehicles. The proposed policy sparked an enormous public outcry. While the EPA announced on April 15<sup>th</sup> that it will remove the provision from the final greenhouse gas rule, the agency has not abandoned its new interpretation of the Clean Air Act. The EPA still contends that it is illegal to sell and install legitimate racing parts on race use only vehicles and tampering has occurred if the modified vehicle was originally a motor vehicle. Whether or not the EPA enforces against the individual, the racing industry and enthusiasts remain under threat as companies will no longer sell or install racing products.
- **Vehicles Covered:** The EPA’s new interpretation would affect any racing vehicle that starts its life as a street car produced since 1968 or motorcycle produced since 1978, the years when federal emissions standards first took effect. These vehicles are used solely for racing but no longer remain in their certified configuration for emissions-related equipment. The prohibition would not cover purpose-built racecars like sprint cars and open-wheel dragsters. Further, the EPA would permit the conversion of “nonroad vehicles” for racing use (dirt bikes, ATVs, snowmobiles and boats).
- **Goal:** The EPA has provided little guidance on its goal beyond an intent to prohibit modifications affecting any emissions-related component, which is broadly construed to include changes to engines, engine control modules, intakes, exhaust systems and more, even if the vehicle is converted into a dedicated track car and never again used on the streets.
- **Impact:** The EPA’s interpretation would have a devastating impact on motorsports since many types of racing rely on production vehicles that have been modified for use strictly at the track. It would also decimate the industry that supplies the products used in motorsports. The specialty equipment automotive aftermarket employs about one million Americans across all 50 states. Current retail sales of racing products make up a \$1.4 billion annual market. The number of jobs lost as a result of the regulation will be huge.
- **Enforcement Authority:** The EPA already has authority to enforce against anyone who offers, sells or installs products that knowingly take a vehicle out-of-compliance. The EPA does not need any additional enforcement tools. Instead, the agency is trying to rewrite the Clean Air Act to regulate racecars. While Congress has already prohibited the EPA from regulating racecars, the “RPM Act” will “clarify” any doubts the agency may have.

- Enforcement Targets: Regulators have already targeted manufacturers, distributors and retailers under current Clean Air Act authority. Installers may be the next target. Even if the EPA doesn't go after individual racers, the expanded regulatory authority being proposed will have a chilling effect on the supply chain. Legitimate racing products may no longer be developed and sold, and businesses may no longer be willing to modify vehicles.
- New Interpretation: The Clean Air Act was enacted 46 years ago and SEMA is unaware of a single instance in which the EPA previously took the position that the law applies to vehicles converted for race-use-only purposes. Industry, public and lawmakers have had a clear understanding that these vehicles are excluded from the Clean Air Act. Racing-converted street cars is part of Americana. It is a heritage that goes back to NASCAR's origins of converting stockers to race cars in the 1930s. The EPA's enforcement division has attempted to rewrite the law by including within the draft greenhouse gas rule the following language to clarify what it states has always been its position. As noted, while the EPA announced that it will remove the language from the final greenhouse gas rule, it has not abandoned its new interpretation of the Clean Air Act.

Section 86.1854-12 is amended by adding paragraph (b)(5) to read as follows:

(5) Certified motor vehicles and motor vehicle engines and their emission control devices must remain in their certified configuration even if they are used solely for competition or if they become nonroad vehicles or engines; anyone modifying a certified motor vehicle or motor vehicle engine for any reason is subject to the tampering and defeat device prohibitions of paragraph (a)(3) of this section and 42 U.S.C. 7522(a)(3).

- Certainty: The public and regulated industry need certainty in how the Clean Air Act is applied, and Congress needs to confirm that it has ultimate authority. Passage of the "RPM Act" will end the debate.

# Clean Air Act

The “Recognizing the Protection of Motorsports Act of 2016” (RPM Act) expands two sections of the Clean Air Act to ensure that automotive enthusiasts continue to have the ability to modify motor vehicles into vehicles used solely for competition. The two amendments are highlighted below.

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## 42 U.S.C.

United States Code

Title 42 - THE PUBLIC HEALTH AND WELFARE

CHAPTER 85 - AIR POLLUTION PREVENTION AND CONTROL

SUBCHAPTER II - EMISSION STANDARDS FOR MOVING SOURCES

Part A - Motor Vehicle Emission and Fuel Standards

Sec. 7522 - Prohibited acts

### §7522. Prohibited acts

#### (a) Enumerated prohibitions

The following acts and the causing thereof are prohibited—

(1) in the case of a manufacturer of new motor vehicles or new motor vehicle engines for distribution in commerce, the sale, or the offering for sale, or the introduction, or delivery for introduction, into commerce, or (in the case of any person, except as provided by regulation of the Administrator), the importation into the United States, of any new motor vehicle or new motor vehicle engine, manufactured after the effective date of regulations under this part which are applicable to such vehicle or engine unless such vehicle or engine is covered by a certificate of conformity issued (and in effect) under regulations prescribed under this part or part C in the case of clean-fuel vehicles (except as provided in subsection (b) of this section);

(2)(A) for any person to fail or refuse to permit access to or copying of records or to fail to make reports or provide information required under section 7542 of this title;

(B) for any person to fail or refuse to permit entry, testing or inspection authorized under section 7525(c) of this title or section 7542 of this title;

(C) for any person to fail or refuse to perform tests, or have tests performed as required under section 7542 of this title;

(D) for any manufacturer to fail to make information available as provided by regulation under section 7521(m)(5) of this title;

(3)(A) for any person to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this subchapter prior to its sale and delivery to the ultimate purchaser, or for any person knowingly to remove or render inoperative any such device or element of design after such sale and delivery to the ultimate purchaser; or

(B) for any person to manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this subchapter, and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use; or

(4) for any manufacturer of a new motor vehicle or new motor vehicle engine subject to standards prescribed under section 7521 of this title or part C of this subchapter—

(A) to sell or lease any such vehicle or engine unless such manufacturer has complied with (i) the requirements of section 7541(a) and (b) of this title with respect to such vehicle or engine, and unless a label or tag is affixed to such vehicle or engine in accordance with section 7541(c)(3) of this title, or (ii) the corresponding requirements of part C of this subchapter in the case of clean fuel vehicles unless the manufacturer has complied with the corresponding requirements of part C of this subchapter <sup>1</sup>

(B) to fail or refuse to comply with the requirements of section 7541(c) or (e) of this title, or the corresponding requirements of part C of this subchapter in the case of clean fuel vehicles <sup>1</sup>

(C) except as provided in subsection (c)(3) of section 7541 of this title and the corresponding requirements of part C of this subchapter in the case of clean fuel vehicles, to provide directly or indirectly in any communication to the ultimate purchaser or any subsequent purchaser that the coverage of any warranty under this chapter is conditioned upon use of any part, component, or system manufactured by such manufacturer or any person acting for such manufacturer or under his control, or conditioned upon service performed by any such person, or

(D) to fail or refuse to comply with the terms and conditions of the warranty under section 7541(a) or (b) of this title or the corresponding requirements of part C of this subchapter in the case of clean fuel vehicles with respect to any vehicle; or

(5) for any person to violate section 7553 of this title, 7554 of this title, or part C of this subchapter or any regulations under section 7553 of this title, 7554 of this title, or part C of this subchapter.

No action with respect to any element of design referred to in paragraph (3) (including any adjustment or alteration of such element) shall be treated as a prohibited act under such paragraph (3) if such action is in accordance with section 7549 of this title. Nothing in paragraph (3) shall be construed to require the use of manufacturer parts in maintaining or repairing any motor vehicle or motor vehicle engine. For the purposes of the preceding sentence, the term "manufacturer parts" means, with respect to a motor vehicle engine, parts produced or sold by the manufacturer of the motor vehicle or motor vehicle engine. No action with respect to any device or element of design referred to in paragraph (3) shall be treated as a prohibited act under that paragraph if (i) the action is for the purpose of repair or replacement of the device or element, or is a necessary and temporary procedure to repair or replace any other item and the device or element is replaced upon completion of the procedure, and (ii) such action thereafter results in the proper functioning of the device or element referred to in paragraph (3). No action with respect to any device or element of design referred to in paragraph (3) shall be treated as a prohibited act under that paragraph if the action is for the purpose of a conversion of a motor vehicle for use of a clean alternative fuel (as defined in this subchapter) and if such vehicle complies with the applicable standard under section 7521 of this title when operating on such fuel, and if in the case of a clean alternative fuel vehicle (as defined by rule by the Administrator), the device or element is replaced upon completion of the conversion procedure and such action results in proper functioning of the device or element when the motor vehicle operates on conventional fuel. **No action with respect to any device or element of design referred to in paragraph (3) shall be treated as a prohibited act under that paragraph if the action is for the purpose of modifying a motor vehicle into a vehicle to be used solely for competition.**

**(b) Exemptions; refusal to admit vehicle or engine into United States; vehicles or engines intended for export**

(1) The Administrator may exempt any new motor vehicle or new motor vehicle engine, from subsection (a) of this section, upon such terms and conditions as he may find necessary for the purpose of research, investigations, studies, demonstrations, or training, or for reasons of national security.

(2) A new motor vehicle or new motor vehicle engine offered for importation or imported by any person in violation of subsection (a) of this section shall be refused admission into the United States, but the Secretary of the Treasury and the Administrator may, by joint regulation, provide for deferring final determination as to admission and authorizing the delivery of such a motor vehicle or engine offered for import to the owner or consignee thereof upon such terms and conditions (including the furnishing of a bond) as may appear to them appropriate to insure that any such motor vehicle or engine will be brought into conformity with the standards, requirements, and limitations applicable to it under this part. The Secretary of the Treasury shall, if a motor vehicle or engine is finally refused admission under this paragraph, cause disposition thereof in accordance with the customs laws unless it is exported, under regulations prescribed by such Secretary, within ninety days of the date of notice of such refusal or such additional time as may be permitted pursuant to such regulations, except that disposition in accordance with the customs laws may not be made in such manner as may result, directly or indirectly, in the sale, to the ultimate consumer, of a new motor vehicle or new motor vehicle engine that fails to comply with applicable standards of the Administrator under this part.

(3) A new motor vehicle or new motor vehicle engine intended solely for export, and so labeled or tagged on the outside of the container and on the vehicle or engine itself, shall be subject to the provisions of subsection (a) of this section, except that if the country which is to receive such vehicle or engine has emission standards which differ from the standards prescribed under section 7521 of this title, then such vehicle or engine shall comply with the standards of such country which is to receive such vehicle or engine.

## 42 U.S.C.

United States Code  
Title 42 - THE PUBLIC HEALTH AND WELFARE  
CHAPTER 85 - AIR POLLUTION PREVENTION AND CONTROL  
SUBCHAPTER II - EMISSION STANDARDS FOR MOVING SOURCES  
Part A - Motor Vehicle Emission and Fuel Standards  
Sec. 7550 - Definitions

### §7550. Definitions

As used in this part—

(1) The term "manufacturer" as used in sections 7521, 7522, 7525, 7541, and 7542 of this title means any person engaged in the manufacturing or assembling of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, or importing such vehicles or engines for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, but shall not include any dealer with respect to new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines received by him in commerce.

(2) The term "motor vehicle" means any self-propelled vehicle designed for transporting persons or property on a street or highway **and that is not a vehicle used solely for competition, including any vehicle so used that was converted from a motor vehicle.**

(3) Except with respect to vehicles or engines imported or offered for importation, the term "new motor vehicle" means a motor vehicle the equitable or legal title to which has never been transferred to an ultimate purchaser; and the term "new motor vehicle engine" means an engine in a new motor vehicle or a motor vehicle engine the equitable or legal title to which has never been transferred to the ultimate purchaser; and with respect to imported vehicles or engines, such terms mean a motor vehicle and engine, respectively, manufactured after the effective date of a regulation issued under section 7521 of this title which is applicable to such vehicle or engine (or which would be applicable to such vehicle or engine had it been manufactured for importation into the United States).

(4) The term "dealer" means any person who is engaged in the sale or the distribution of new motor vehicles or new motor vehicle engines to the ultimate purchaser.

(5) The term "ultimate purchaser" means, with respect to any new motor vehicle or new motor vehicle engine, the first person who in good faith purchases such new motor vehicle or new engine for purposes other than resale.

(6) The term "commerce" means (A) commerce between any place in any State and any place outside thereof; and (B) commerce wholly within the District of Columbia.

(7) Vehicle curb weight, gross vehicle weight rating, light-duty truck, light-duty vehicle, and loaded vehicle weight.—The terms "vehicle curb weight", "gross vehicle weight rating" (GVWR), "light-duty truck" (LDT), light-duty vehicle,<sup>1</sup> and "loaded vehicle weight" (LVW) have the meaning provided in regulations promulgated by the Administrator and in effect as of November 15, 1990. The abbreviations in parentheses corresponding to any term referred to in this paragraph shall have the same meaning as the corresponding term.

(8) Test weight.—The term "test weight" and the abbreviation "tw" mean the vehicle curb weight added to the gross vehicle weight rating (gvwr) and divided by 2.

(9) Motor vehicle or engine part manufacturer.—The term "motor vehicle or engine part manufacturer" as used in sections 7541 and 7542 of this title means any person engaged in the manufacturing, assembling or rebuilding of any device, system, part, component or element of design which is installed in or on motor vehicles or motor vehicle engines.

(10) Nonroad engine.—The term "nonroad engine" means an internal combustion engine (including the fuel system) that is not used in a motor vehicle or a vehicle used solely for competition, or that is not subject to standards promulgated under section 7411 of this title or section 7521 of this title.

(11) Nonroad vehicle.—The term "nonroad vehicle" means a vehicle that is powered by a nonroad engine and that is not a motor vehicle or a vehicle used solely for competition.

## Clean Air Act Regulation of Vehicles

The Clean Air Act was never intended to allow the EPA to regulate racecars. However, the U.S. Environmental Protection Agency (EPA) has proposed a rule (Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles--Phase 2, 80 Fed. Reg. 40,138 (July 13, 2015), docket no. EPA-HQ-OAR-2014-0827) to prohibit the conversion of certified motor vehicles into vehicles that will be used solely for competition and the sale of emissions-related parts for use on such converted vehicles. The following is a brief summary of the law and reasons for the RPM Act:

- **Motor Vehicle Air Pollution Control Act of 1965:** Congress defined the term “motor vehicle” as “any self-propelled vehicle designed for transporting persons or property on a street or highway.” Congress included “anti-tampering” language, making it illegal for “any person to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this title *prior to its sale and delivery to the ultimate purchaser*” (emphasis added).
- **Clean Air Act Amendments: 1970:** Lawmakers expand the anti-tampering provision to provide that no person can render the emissions controls inoperative “after such sale and delivery to the ultimate purchaser.” Congress also clarifies that the law does not apply to vehicles manufactured or modified for racing. The clarification was included in the congressional conference committee report.
- **Clean Air Act Amendments: 1977:** No changes impacting racecars.
- **Clean Air Act Amendments: 1990:** Congress provides the EPA with the authority to regulate nonroad vehicles/engines. Since the term “nonroad vehicle” could easily have been interpreted to include race vehicles, Congress included language to unequivocally exclude vehicles used solely for competition from the definition of “nonroad vehicle” (“*The term ‘nonroad vehicle’ means a vehicle that is powered by a nonroad engine and that is not a motor vehicle or a vehicle used solely for competition*”). The fact that Congress separated out “vehicles used solely for competition” from “motor vehicles” in the definition of nonroad vehicle is also instructive, as it indicates the term “motor vehicle” was not understood as covering “vehicles used solely for competition.” It is also noteworthy that Congress referenced racecars as vehicles *used* solely for competition – not vehicles built solely for competition.