



**93RD GENERAL ASSEMBLY**

**State of Illinois**

**2003 and 2004**

**HB4511**

Introduced 02/03/04, by Dan Reitz, Brandon W. Phelps

**SYNOPSIS AS INTRODUCED:**

415 ILCS 120/10  
415 ILCS 120/30  
415 ILCS 120/31

Amends the Alternate Fuels Act. Provides that beginning July 1, 2004, owners of vehicles using domestic renewable fuel are eligible to apply for a fuel cost differential rebate. Provides that biodiesel blended fuel facilities may be included in the Alternate Fuel Infrastructure Program administered by the Department of Commerce and Economic Opportunity. Provides that "alternate fuel" includes, among other fuels, "80% bio-based methanol" (instead of "bio-based methanol"), fuels that are 80% (instead of 70%) derived from biomass, and hydrogen fuel. Provides that "domestic renewable fuel" includes, among other fuels, "80% bio-based methanol" (instead of "bio-based methanol") and 20% biodiesel fuel (instead of "fuels derived from bio mass"). Makes other changes. Effective immediately.

LRB093 13541 BDD 40192 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning alternate fuels.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Alternate Fuels Act is amended by changing  
5 Sections 10, 30, and 31 as follows:

6 (415 ILCS 120/10)

7 Sec. 10. Definitions. As used in this Act:

8 "Agency" means the Environmental Protection Agency.

9 "Alternate fuel" means liquid petroleum gas, natural gas,  
10 E85 blend fuel, fuel composed of a minimum 80% ethanol, 80%  
11 bio-based methanol, fuels that are at least 80% ~~70%~~ derived  
12 from biomass, hydrogen fuel, or electricity, excluding  
13 on-board electric generation.

14 "Alternate fuel vehicle" means any vehicle that is operated  
15 in Illinois and is capable of using an alternate fuel.

16 "Biodiesel fuel" means a renewable fuel conforming to the  
17 industry standard ASTM-D6751 and registered with the U.S.  
18 Environmental Protection Agency.

19 "Conventional", when used to modify the word "vehicle",  
20 "engine", or "fuel", means gasoline or diesel or any  
21 reformulations of those fuels.

22 "Covered Area" means the counties of Cook, DuPage, Kane,  
23 Lake, McHenry, and Will and those portions of Grundy County and  
24 Kendall County that are included in the following ZIP code  
25 areas, as designated by the U.S. Postal Service on the  
26 effective date of this amendatory Act of 1998: 60416, 60444,  
27 60447, 60450, 60481, 60538, and 60543.

28 "Director" means the Director of the Environmental  
29 Protection Agency.

30 "Domestic renewable fuel" means a fuel, produced in the  
31 United States, composed of a minimum 80% ethanol, 80% bio-based  
32 methanol, or 20% biodiesel fuel ~~and fuels derived from~~

1 ~~bio-mass.~~

2 "E85 blend fuel" means fuel that contains 85% ethanol and  
3 15% gasoline.

4 "GVWR" means Gross Vehicle Weight Rating.

5 "Location" means (i) a parcel of real property or (ii)  
6 multiple, contiguous parcels of real property that are  
7 separated by private roadways, public roadways, or private or  
8 public rights-of-way and are owned, operated, leased, or under  
9 common control of one party.

10 "Original equipment manufacturer" or "OEM" means a  
11 manufacturer of alternate fuel vehicles or a manufacturer or  
12 remanufacturer of alternate fuel engines used in vehicles  
13 greater than 8500 pounds GVWR.

14 "Rental vehicle" means any motor vehicle that is owned or  
15 controlled primarily for the purpose of short-term leasing or  
16 rental pursuant to a contract.

17 (Source: P.A. 91-357, eff. 7-29-99; 92-858, eff. 1-3-03.)

18 (415 ILCS 120/30)

19 Sec. 30. Rebate program. Beginning January 1, 1997, and as  
20 long as funds are available, each owner of an alternate fuel  
21 vehicle shall be eligible to apply for a rebate. Beginning July  
22 1, 2004, each owner of a vehicle using domestic renewable fuel  
23 is eligible to apply for a fuel cost differential rebate under  
24 subsection (c) of this Section. The Agency shall cause rebates  
25 to be issued under the provisions of this Act. An owner may  
26 apply for only one of 3 types of rebates with regard to an  
27 individual alternate fuel vehicle: (i) a conversion cost  
28 rebate, (ii) an OEM differential cost rebate, or (iii) a fuel  
29 cost differential rebate. Only one rebate may be issued with  
30 regard to a particular alternate fuel vehicle during the life  
31 of that vehicle. A rebate shall not exceed \$4,000 per vehicle.  
32 Over the life of this rebate program, an owner of an alternate  
33 fuel vehicle or a vehicle using domestic renewable fuel may not  
34 receive rebates for more than 150 vehicles per location or for  
35 300 vehicles in total.

1 (a) A conversion cost rebate may be issued to an owner or  
2 his or her designee in order to reduce the cost of converting  
3 of a conventional vehicle to an alternate fuel vehicle.  
4 Conversion of a conventional vehicle to alternate fuel  
5 capability must take place in Illinois for the owner to be  
6 eligible for the conversion cost rebate. Amounts spent by  
7 applicants within a calendar year may be claimed on a rebate  
8 application submitted during that calendar year. Approved  
9 conversion cost rebates applied for during or after calendar  
10 year 1997 shall be 80% of all approved conversion costs claimed  
11 and documented. Approval of conversion cost rebates may  
12 continue after calendar year 2002, if funds are still  
13 available. An applicant may include on an application submitted  
14 in 1997 all amounts spent within that calendar year on the  
15 conversion, even if the expenditure occurred before  
16 promulgation of the Agency rules.

17 (b) An OEM differential cost rebate may be issued to an  
18 owner or his or her designee in order to reduce the cost  
19 differential between a conventional vehicle or engine and the  
20 same vehicle or engine, produced by an original equipment  
21 manufacturer, that has the capability to use alternate fuels.

22 A new OEM vehicle or engine must be purchased in Illinois  
23 and must either be an alternate fuel vehicle or used in an  
24 alternate fuel vehicle, respectively, for the owner to be  
25 eligible for an OEM differential cost rebate. Amounts spent by  
26 applicants within a calendar year may be claimed on a rebate  
27 application submitted during that calendar year.

28 Approved OEM differential cost rebates applied for during  
29 or after calendar year 1997 shall be 80% of all approved cost  
30 differential claimed and documented. Approval of OEM  
31 differential cost rebates may continue after calendar year  
32 2002, if funds are still available. An applicant may include on  
33 an application submitted in 1997 all amounts spent within that  
34 calendar year on OEM equipment, even if the expenditure  
35 occurred before promulgation of the Agency rules.

36 (c) A fuel cost differential rebate may be issued to an

1 owner or his or her designee in order to reduce the cost  
2 differential between conventional fuels and domestic renewable  
3 fuels or alternate fuels purchased to operate an alternate fuel  
4 vehicle ~~that runs on domestic renewable fuel~~. The fuel cost  
5 differential shall be based on a 3-year life cycle cost  
6 analysis developed by the Agency by rulemaking. The rebate  
7 shall apply to and be payable during a consecutive 3-year  
8 period commencing on the date the application is approved by  
9 the Agency. Approved fuel cost differential rebates may be  
10 applied for during or after calendar year 1997 and approved  
11 rebates shall be 80% of the cost differential for a consecutive  
12 3-year period. Approval of fuel cost differential rebates may  
13 continue after calendar year 2002 if funds are still available.

14 Twenty-five percent of the amount that is appropriated  
15 under Section 40 to be used to fund programs authorized by this  
16 Section during calendar year 2001 shall be designated to fund  
17 fuel cost differential rebates. If the total dollar amount of  
18 approved fuel cost differential rebate applications as of July  
19 1, 2001 is less than the amount designated for that calendar  
20 year, the balance of designated funds shall be immediately  
21 available to fund any rebate authorized by this Section and  
22 approved in the calendar year.

23 An approved fuel cost differential rebate shall be paid to  
24 an owner in 3 annual installments on or about the anniversary  
25 date of the approval of the application. Owners receiving a  
26 fuel cost differential rebate shall be required to demonstrate,  
27 through recordkeeping, the use of domestic renewable fuels  
28 during the 3-year period commencing on the date the application  
29 is approved by the Agency. If the ~~alternate fuel~~ vehicle ceases  
30 to be registered to the original applicant owner, a prorated  
31 installment shall be paid to that owner or the owner's designee  
32 and the remainder of the rebate shall be canceled.

33 (d) Vehicles owned by the federal government or vehicles  
34 registered in a state outside Illinois are not eligible for  
35 rebates.

36 (Source: P.A. 92-858, eff. 1-3-03.)

1 (415 ILCS 120/31)

2 Sec. 31. Alternate Fuel Infrastructure Program. Subject to  
3 appropriation, the Department of Commerce and Economic  
4 Opportunity ~~Community Affairs~~ shall establish a grant program  
5 to provide funding for the building of E85 blend, propane, at  
6 least 20% biodiesel blended fuel, and compressed natural gas  
7 (CNG) fueling facilities, including private on-site fueling  
8 facilities, to be built within the covered area or in Illinois  
9 metropolitan areas over 100,000 in population. The Department  
10 of Commerce and Economic Opportunity ~~Community Affairs~~ shall be  
11 responsible for reviewing the proposals and awarding the  
12 grants.

13 (Source: P.A. 92-858, eff. 1-3-03.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.