



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0769

Introduced 2/18/2005, by Sen. Deanna Demuzio

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, 2005, 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.

LRB094 10800 RSP 41274 b

FISCAL NOTE ACT
MAY APPLY

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, 2005, 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 Community
4 Affairs (now Department of Commerce and Economic Opportunity)
5 shall establish a grant program to provide funding for the
6 building of E85 blend, propane, at least 20% biodiesel blended
7 fuel, and compressed natural gas (CNG) fueling facilities,
8 including private on-site fueling facilities, to be built
9 within the covered area or in Illinois metropolitan areas over
10 100,000 in population. The Department of Commerce and Economic
11 Opportunity ~~Community Affairs~~ shall be responsible for
12 reviewing the proposals and awarding the grants.

13 (Source: P.A. 92-858, eff. 1-3-03; revised 12-6-03.)

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