



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB4196

Introduced 10/25/2023, by Rep. Martin J. Moylan

#### SYNOPSIS AS INTRODUCED:

415 ILCS 5/9.20 new

Amends the Environmental Protection Act. Requires the Environmental Protection Agency to establish a Fleet Electrification Incentive Program to provide fleet owners and operators in the State grants to promote the use of eligible electric vehicles. Provides that the Program shall offer qualifying purchasers a grant up to specified base amounts toward the purchase of eligible electric vehicles based on the Class of vehicle. Requires the Agency to award grants under the Program on a competitive basis according to the availability of funding. Provides that to be eligible to receive a grant under the Program a purchaser must satisfy all of the required criteria. Provides that the Agency shall give weight to an application based upon the potential impact of the geographic location and route of the purchaser's fleet on pollution affecting an equity investment eligible community. Requires the Agency to ensure that resale of a vehicle serving a public school or located within an equity investment eligible community shall result in the vehicle servicing a similarly situated community. Provides that grants under the Program may be combined with other public incentives but the total of governmental incentives shall not exceed a maximum of 80% of the purchase price of the vehicle. Requires the Agency to set aside 20% of the appropriated funds under the Program for grants to the purchaser of electric school buses. Provides that all awards granted are subject to appropriation by the General Assembly. Defines terms.

LRB103 34797 MXP 64648 b

1 AN ACT concerning transportation.

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

4 Section 5. The Environmental Protection Act is amended by  
5 adding Section 9.20 as follows:

6 (415 ILCS 5/9.20 new)

7 Sec. 9.20. Fleet Electrification Incentive Program.

8 (a) In this Section:

9 "Eligible electric vehicle" means an electric truck or  
10 electric school bus categorized by the United States  
11 Environmental Protection Agency Emissions Classifications,  
12 using gross vehicle weight ratings, as a Class 2b, 3, 4, 5, 6,  
13 7, or 8 vehicle. The use of a properly ventilated,  
14 conventionally powered heater shall not make an otherwise  
15 eligible electric vehicle ineligible under this Section.

16 "Equity investment eligible communities" has the meaning  
17 given to that term in the Energy Transition Act.

18 "Program" means the Fleet Electrification Incentive  
19 Program.

20 "Purchaser" means the fleet or owner, operator, or  
21 provider who will operate or manage the vehicle for a minimum  
22 of 5 years after receipt of the vehicle, whether through lease  
23 or direct purchase.

1       (b) The Agency shall establish a Fleet Electrification  
2 Incentive Program to provide a fleet owner and operator in the  
3 State grants to promote the use of eligible electric vehicles.  
4 The Program shall offer a qualifying purchaser a grant up to  
5 the following base amounts toward the purchase of an eligible  
6 electric vehicle:

7           (1) \$7,500 for Class 2b vehicles;

8           (2) \$45,000 for Class 3 vehicles;

9           (3) \$60,000 for Class 4 and Class 5 vehicles;

10          (4) \$85,000 for Class 6 and Class 7 vehicles; and

11          (5) \$120,000 for Class 8 vehicles.

12       The Program shall offer increased grant incentives of an  
13 additional 15% of the base amount for the purchase of vehicles  
14 that will be located within an equity investment eligible  
15 community and 65% of the base amount for the purchase of a  
16 school bus that will serve a public school district.

17       (c) The Agency shall award grants under the Program on a  
18 competitive basis according to the availability of funding. To  
19 be eligible to receive a grant under the Program a purchaser  
20 must satisfy all of the following criteria:

21           (1) The eligible electric vehicle must be registered  
22 in this State or recognized under the International  
23 Registration Plan.

24           (2) The fleet owner or operator must be domiciled in  
25 this State.

26           (3) If the eligible electric vehicle is leased by the

1 purchaser, the term of the lease must be at least 60  
2 months.

3 (4) Once the eligible electric vehicle is purchased  
4 and delivered, the vehicle must operate within the State  
5 for at least 80% of its operational hours.

6 In providing grants under the Program, the Agency shall  
7 give weight to an application based upon the potential impact  
8 of the geographic location and route of the purchaser's fleet  
9 on pollution affecting equity investment eligible communities.

10 In providing grants under the Program, the Agency shall  
11 give priority to a purchaser who has negotiated and entered  
12 into a collective bargaining agreement at the time of  
13 application for the grant.

14 (d) A grant provided under the Program is limited to a  
15 maximum award of 80% of the purchase price per vehicle.  
16 Multiple vehicles may be included in each grant under the  
17 Program. A purchaser may be awarded multiple grants under the  
18 Program, however, the Agency shall have the authority to  
19 implement a limit on the number of grants awarded to each  
20 purchaser.

21 (e) A purchaser shall enter into a grant agreement with  
22 the Agency upon notification from the Agency that the  
23 purchaser's application has been approved. Grants shall be  
24 provided by the Agency with the submittal of a paid invoice for  
25 reimbursement. A purchaser participating in the Program shall  
26 retain ownership of the eligible electric vehicle and meet all

1 applicable project requirements for a minimum 5-year period  
2 after the date of the receipt of the vehicle. Resale of a  
3 vehicle may be allowed within the 5-year period if  
4 necessitated by unforeseen or unavoidable circumstances with  
5 approval from the Agency. The Agency shall ensure the resale  
6 of a vehicle serving a public school or located within an  
7 equity investment eligible community shall result in the  
8 vehicle servicing a similarly situated community.

9 (f) The deployment of the eligible electric vehicle in the  
10 purchaser's fleet is required within 24 months after receipt  
11 of notice of approval of the purchaser's Program application.  
12 Total completion of the project for which the eligible  
13 electric vehicle is purchased or leased must occur within 36  
14 months after receipt of grant funds under the Program.

15 (g) A grant under this Section may be combined with other  
16 public incentives to support fleet purchasing decisions.  
17 Receipt of any other public incentive for an eligible electric  
18 vehicle shall not preclude a purchaser from being awarded a  
19 grant under this Section. However, the combined total of  
20 governmental incentives, including, but not limited to, tax  
21 credits, grants, or vouchers, shall not exceed 80% of the  
22 purchase price of the vehicle.

23 (h) The Agency shall set aside 20% of the appropriated  
24 funds under the Program for grants to the purchaser of an  
25 electric school bus.

26 (i) All awards granted under this Section are subject to

1 appropriation by the General Assembly.