



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4284

Introduced 12/19/05, by Rep. Ruth Munson

SYNOPSIS AS INTRODUCED:

415 ILCS 120/10
415 ILCS 120/30

Amends the Alternate Fuels Act. Provides that beginning July 1, 2006, each owner of a hybrid vehicle is eligible to apply for an original equipment manufacturer differential cost rebate under the Act. Makes conforming changes. Defines "hybrid vehicle". Effective immediately.

LRB094 15678 RSP 50887 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning safety.

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 and 30 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% derived from
12 biomass, hydrogen fuel, or electricity, excluding on-board
13 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.

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

3 "GVWR" means Gross Vehicle Weight Rating.

4 "Hybrid vehicle" means a motor vehicle that is propelled by
5 a combination of an electric motor and an internal combustion
6 engine or other power source.

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

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

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

19 (Source: P.A. 94-62, eff. 6-20-05.)

20 (415 ILCS 120/30)

21 Sec. 30. Rebate program. Beginning January 1, 1997, and as
22 long as funds are available, each owner of an alternate fuel
23 vehicle shall be eligible to apply for a rebate. Beginning July
24 1, 2005, each owner of a vehicle using domestic renewable fuel
25 is eligible to apply for a fuel cost differential rebate under
26 subsection (c) of this Section. Beginning July 1, 2006, each
27 owner of a hybrid vehicle is eligible to apply for an OEM
28 differential cost rebate under subsection (b) of this Section.

29 The Agency shall cause rebates to be issued under the
30 provisions of this Act. An owner may apply for only one of 3
31 types of rebates with regard to an individual alternate fuel
32 vehicle: (i) a conversion cost rebate, (ii) an OEM differential
33 cost rebate, or (iii) a fuel cost differential rebate. Only one
34 rebate may be issued with regard to a particular ~~alternate fuel~~
35 vehicle during the life of that vehicle. A rebate shall not

1 exceed \$4,000 per vehicle. Over the life of this rebate
2 program, an owner of an alternate fuel vehicle, ~~or a~~ vehicle
3 using domestic renewable fuel, or hybrid vehicle may not
4 receive rebates for more than 150 vehicles per location or for
5 300 vehicles in total.

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

22 (b) An OEM differential cost rebate may be issued to an
23 owner or his or her designee in order to reduce the cost
24 differential between a conventional vehicle or engine and the
25 same vehicle or engine, produced by an original equipment
26 manufacturer, that has the capability to use alternate fuels or
27 to operate as a hybrid vehicle.

28 A new OEM vehicle or engine must be purchased in Illinois
29 and must (i) either be an alternate fuel vehicle or used in an
30 alternate fuel vehicle, respectively, or (ii) either be a
31 hybrid vehicle or used in a hybrid vehicle, respectively, for
32 the owner to be eligible for an OEM differential cost rebate.
33 Amounts spent by applicants within a calendar year may be
34 claimed on a rebate application submitted during that calendar
35 year.

36 Approved OEM differential cost rebates applied for during

1 or after calendar year 1997 shall be 80% of all approved cost
2 differential claimed and documented. Approval of OEM
3 differential cost rebates may continue after calendar year
4 2002, if funds are still available. An applicant may include on
5 an application submitted in 1997 all amounts spent within that
6 calendar year on OEM equipment, even if the expenditure
7 occurred before promulgation of the Agency rules.

8 (c) A fuel cost differential rebate may be issued to an
9 owner or his or her designee in order to reduce the cost
10 differential between conventional fuels and domestic renewable
11 fuels or alternate fuels purchased to operate an alternate fuel
12 vehicle . The fuel cost differential shall be based on a 3-year
13 life cycle cost analysis developed by the Agency by rulemaking.
14 The rebate shall apply to and be payable during a consecutive
15 3-year period commencing on the date the application is
16 approved by the Agency. Approved fuel cost differential rebates
17 may be applied for during or after calendar year 1997 and
18 approved rebates shall be 80% of the cost differential for a
19 consecutive 3-year period. Approval of fuel cost differential
20 rebates may continue after calendar year 2002 if funds are
21 still available.

22 Twenty-five percent of the amount that is appropriated
23 under Section 40 to be used to fund programs authorized by this
24 Section during calendar year 2001 shall be designated to fund
25 fuel cost differential rebates. If the total dollar amount of
26 approved fuel cost differential rebate applications as of July
27 1, 2001 is less than the amount designated for that calendar
28 year, the balance of designated funds shall be immediately
29 available to fund any rebate authorized by this Section and
30 approved in the calendar year.

31 An approved fuel cost differential rebate shall be paid to
32 an owner in 3 annual installments on or about the anniversary
33 date of the approval of the application. Owners receiving a
34 fuel cost differential rebate shall be required to demonstrate,
35 through recordkeeping, the use of domestic renewable fuels
36 during the 3-year period commencing on the date the application

1 is approved by the Agency. If the vehicle ceases to be
2 registered to the original applicant owner, a prorated
3 installment shall be paid to that owner or the owner's designee
4 and the remainder of the rebate shall be canceled.

5 (d) Vehicles owned by the federal government or vehicles
6 registered in a state outside Illinois are not eligible for
7 rebates.

8 (Source: P.A. 94-62, eff. 6-20-05.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.