

1 AN ACT in relation to alternate fuels.

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

4 Section 10. The Alternate Fuels Act is amended by
5 changing Sections 10, 25, 30, 35, 40, and 45 and adding
6 Sections 21, 31, and 32 as follows:

7 (415 ILCS 120/10)

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

9 "Agency" means the Environmental Protection Agency.

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

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

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

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

26 "Director" means the Director of the Environmental
27 Protection Agency.

28 "Domestic renewable fuel" means a fuel, produced in the
29 United States, composed of a minimum 80% ethanol, bio-based
30 methanol, and fuels derived from bio-mass.

31 "E85 blend fuel" means fuel that contains 85% ethanol and

1 15% gasoline.

2 "GVWR" means Gross Vehicle Weight Rating.

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

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

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

15 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
16 91-357, eff. 7-29-99.)

17 (415 ILCS 120/21 new)

18 Sec. 21. Alternate Fuel Infrastructure Advisory Board.
19 The Governor shall appoint an Alternate Fuel Infrastructure
20 Advisory Board. The Advisory Board shall be chaired by the
21 Director. Other members appointed by the Governor shall
22 consist of one representative from the ethanol industry, one
23 representative from the natural gas industry, one
24 representative from the auto manufacturing industry, one
25 representative from the liquid petroleum gas industry, one
26 representative from the Department of Commerce and Community
27 Affairs, one representative from the heavy duty engine
28 manufacturing industry, one representative from Illinois
29 private fleet operators, and one representative of local
30 government from the Chicago nonattainment area.

31 The Advisory Board shall (1) prepare and recommend to the
32 Agency rules implementing Section 31 of this Act; (2)
33 determine criteria and procedures to be followed in awarding

1 grants and review applications for grants under the Alternate
 2 Fuel Infrastructure Program; and (3) make recommendations to
 3 the Agency as to the award of grants under the Alternate Fuel
 4 Infrastructure Program.

5 Members of the Advisory Board shall not be reimbursed
 6 their costs and expenses of participation. All decisions of
 7 the Advisory Board shall be decided on a one vote per member
 8 basis with a majority of the Advisory Board membership to
 9 rule.

10 (415 ILCS 120/25)

11 Sec. 25. Ethanol fuel research program. The Department
 12 of Commerce and Community Affairs shall administer a research
 13 program to reduce the costs of producing ethanol fuels and
 14 increase the viability of ethanol fuels, new ethanol engine
 15 technologies, and ethanol refueling infrastructure. This
 16 research shall be funded from the Alternate Fuels Fund. The
 17 research program shall remain in effect until December 31,
 18 2003 ~~2002~~, or until funds are no longer available.

19 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
 20 91-357, eff. 7-29-99.)

21 (415 ILCS 120/30)

22 Sec. 30. Rebate program. Beginning January 1, 1997,
 23 each owner of an alternate fuel vehicle shall be eligible to
 24 apply for a rebate. The Agency shall cause rebates to be
 25 issued under the provisions of this Act. The Alternate Fuels
 26 Advisory Board shall develop and recommend to the Agency
 27 rules that provide incentives or other measures to ensure
 28 that small fleet operators and owners participate in, and
 29 benefit from, the rebate program. Such rules shall define
 30 and identify small fleet operators and owners in the covered
 31 area and make provisions for the establishment of criteria to
 32 ensure that funds from the Alternate Fuels Fund specified in

1 this Act are made readily available to these entities. The
2 Advisory Board shall, in the development of its rebate
3 application review criteria, make provisions for preference
4 to be given to applications proposing a partnership between
5 the fleet operator or owner and a fueling service station to
6 make alternate fuels available to the public. An owner may
7 apply for only one of 3 types of rebates with regard to an
8 individual alternate fuel vehicle: (i) a conversion cost
9 rebate, (ii) an OEM differential cost rebate, or (iii) a
10 fuel cost differential rebate. Only one rebate may be issued
11 with regard to a particular alternate fuel vehicle during the
12 life of that vehicle. A rebate shall not exceed \$4,000 per
13 vehicle. Over the life of this rebate program, an owner of
14 an alternate fuel vehicle may not receive rebates for more
15 than 150 vehicles per location or for 300 vehicles in total.

16 (a) A conversion cost rebate may be issued to an owner
17 or his or her designee in order to reduce the cost of
18 converting of a conventional vehicle to an alternate fuel
19 vehicle. Conversion of a conventional vehicle to alternate
20 fuel capability must take place in Illinois for the owner to
21 be eligible for the conversion cost rebate. Amounts spent by
22 applicants within a calendar year may be claimed on a rebate
23 application submitted during that calendar year. Approved
24 conversion cost rebates applied for during calendar years
25 1997, 1998, 1999, 2000, 2001, and 2002, 2003, and 2004 shall
26 be 80% of all approved conversion costs claimed and
27 documented. Approval of conversion cost rebates may continue
28 after calendar year 2004, if funds are still available. An
29 applicant may include on an application submitted in 1997 all
30 amounts spent within that calendar year on the conversion,
31 even if the expenditure occurred before promulgation of the
32 Agency rules.

33 (b) An OEM differential cost rebate may be issued to an
34 owner or his or her designee in order to reduce the cost

1 differential between a conventional vehicle or engine and the
2 same vehicle or engine, produced by an original equipment
3 manufacturer, that has the capability to use alternate fuels.

4 A new OEM vehicle or engine must be purchased in Illinois
5 and must either be an alternate fuel vehicle or used in an
6 alternate fuel vehicle, respectively, for the owner to be
7 eligible for an OEM differential cost rebate. Amounts spent
8 by applicants within a calendar year may be claimed on a
9 rebate application submitted during that calendar year.

10 Approved OEM differential cost rebates applied for during
11 calendar years 1997, 1998, 1999, 2000, 2001, and 2002, 2003,
12 and 2004 shall be 80% of all approved cost differential
13 claimed and documented. Approval of OEM differential cost
14 rebates may continue after calendar year 2004, if funds are
15 still available. An applicant may include on an application
16 submitted in 1997 all amounts spent within that calendar
17 year on OEM equipment, even if the expenditure occurred
18 before promulgation of the Agency rules.

19 (c) A fuel cost differential rebate may be issued to an
20 owner or his or her designee in order to reduce the cost
21 differential between conventional fuels and domestic
22 renewable fuels purchased to operate an alternate fuel
23 vehicle that runs on domestic renewable fuel. The fuel cost
24 differential shall be based on a 3-year life cycle cost
25 analysis developed by the Agency by rulemaking. The rebate
26 shall apply to and be payable during a consecutive 3-year
27 period commencing on the date the application is approved by
28 the Agency. Approved fuel cost differential rebates may be
29 applied for during calendar years 1997, 1998, 1999, 2000, and
30 2001, and 2002 and approved rebates shall be 80% of the cost
31 differential for a consecutive 3-year period. Approval of
32 fuel cost differential rebates may continue after calendar
33 year 2002 if funds are still available. Twenty-five percent
34 of the amount appropriated under Section 40 to be used to

1 fund the programs authorized by this Section during calendar
2 year 1998 shall be designated to fund fuel cost differential
3 rebates. If the total dollar amount of approved fuel cost
4 differential rebate applications as of October 1, 1998 is
5 less than the amount designated for that calendar year, the
6 balance of designated funds shall be immediately available to
7 fund any rebate authorized by this Section and approved in
8 the calendar year. An applicant may include on an
9 application submitted in 1997 all amounts spent within that
10 calendar year on fuel cost differential, even if the
11 expenditure occurred before the promulgation of the Agency
12 rules.

13 Twenty-five percent of the amount appropriated under
14 Section 40 to be used to fund the programs authorized by this
15 Section during calendar year 1999 shall be designated to fund
16 fuel cost differential rebates. If the total dollar amount
17 of approved fuel cost differential rebate applications as of
18 July 1, 1999 is less than the amount designated for that
19 calendar year, the balance of designated funds shall be
20 immediately available to fund any rebate authorized by this
21 Section and approved in the calendar year.

22 Twenty-five percent of the amount appropriated under
23 Section 40 to be used to fund programs authorized by this
24 Section during calendar year 2000 shall be designated to fund
25 fuel cost differential rebates. If the total dollar amount
26 of approved fuel cost differential rebate applications as of
27 July 1, 2000 is less than the amount designated for that
28 calendar year, the balance of designated funds shall be
29 immediately available to fund any rebate authorized by this
30 Section and approved in the calendar year.

31 Twenty-five percent of the amount that is appropriated
32 under Section 40 to be used to fund programs authorized by
33 this Section during calendar year 2001 shall be designated to
34 fund fuel cost differential rebates. If the total dollar

1 amount of approved fuel cost differential rebate applications
 2 as of July 1, 2001 is less than the amount designated for
 3 that calendar year, the balance of designated funds shall be
 4 immediately available to fund any rebate authorized by this
 5 Section and approved in the calendar year.

6 An approved fuel cost differential rebate shall be paid
 7 to an owner in 3 annual installments on or about the
 8 anniversary date of the approval of the application. Owners
 9 receiving a fuel cost differential rebate shall be required
 10 to demonstrate, through recordkeeping, the use of domestic
 11 renewable fuels during the 3-year period commencing on the
 12 date the application is approved by the Agency. If the
 13 alternate fuel vehicle ceases to be registered to the
 14 original applicant owner, a prorated installment shall be
 15 paid to that owner or the owner's designee and the remainder
 16 of the rebate shall be canceled.

17 (d) Vehicles owned by the federal government or vehicles
 18 registered in a state outside Illinois are not eligible for
 19 rebates.

20 (Source: P.A. 89-410; 90-726, eff. 8-7-98.)

21 (415 ILCS 120/31 new)

22 Sec. 31. Alternate Fuel Infrastructure Program. The
 23 Environmental Protection Agency shall establish a grant
 24 program to provide funding for the building of E85 blend,
 25 propane, and compressed natural gas (CNG) fueling facilities,
 26 including private on-site fueling facilities, to be built
 27 within the covered area or in Illinois metropolitan areas
 28 over 100,000 in population. The Agency shall be responsible
 29 for reviewing the proposals and awarding the grants. Under
 30 the grant program, applicants may apply for up to 80% of the
 31 total cost of the project. At least 20% of the total cost
 32 of the project must be provided by the applicant in cash or
 33 material.

1 (415 ILCS 120/32 new)

2 Sec. 32. Clean Fuel Education Program. The
3 Environmental Protection Agency, in cooperation with the
4 Department of Commerce and Community Affairs and Chicago Area
5 Clean Cities, shall administer the Clean Fuel Education
6 Program, the purpose of which is to educate fleet
7 administrators and Illinois' citizens about the benefits of
8 using alternate fuels. The program shall include a media
9 campaign.

10 (415 ILCS 120/35)

11 Sec. 35. User fees.

12 (a) During fiscal years 1999, 2000, and 2001, ~~and-2002~~
13 the Office of the Secretary of State shall collect annual
14 user fees from any individual, partnership, association,
15 corporation, or agency of the United States government that
16 registers any combination of 10 or more of the following
17 types of motor vehicles in the Covered Area: (1) Vehicles
18 of the First Division, as defined in the Illinois Vehicle
19 Code; (2) Vehicles of the Second Division registered under
20 the B, D, F, H, MD, MF, MG, MH and MJ plate categories, as
21 defined in the Illinois Vehicle Code; and (3) Commuter vans
22 and livery vehicles as defined in the Illinois Vehicle Code.
23 This Section does not apply to vehicles registered under the
24 International Registration Plan under Section 3-402.1 of the
25 Illinois Vehicle Code. The user fee shall be \$20 for each
26 vehicle registered in the Covered Area for each fiscal year.
27 The Office of the Secretary of State shall collect the \$20
28 when a vehicle's registration fee is paid.

29 (b) Owners of State, county, and local government
30 vehicles, rental vehicles, antique vehicles, electric
31 vehicles, and motorcycles are exempt from paying the user
32 fees on such vehicles.

33 (c) The Office of the Secretary of State shall deposit

1 the user fees collected into the Alternate Fuels Fund.

2 (Source: P.A. 89-410; 90-726, eff. 8-7-98.)

3 (415 ILCS 120/40)

4 Sec. 40. Appropriations from the Alternate Fuels Fund.

5 The Agency shall estimate the amount of user fees expected to
6 be collected for fiscal years 1999, 2000, and 2001~~7--and-2002~~.

7 Moneys shall be deposited into and distributed from the
8 Alternate Fuels Fund in the following manner:

9 (1) In each of fiscal years 1999, 2000, 2001, and 2002,
10 2003, and 2004 an amount not to exceed \$200,000 may be
11 appropriated to the Agency from the Alternate Fuels Fund to
12 pay its costs of administering the programs authorized by
13 this Act. Additional appropriations to the Agency from the
14 Alternate Fuels Fund to pay its costs of administering the
15 programs authorized by this Act may be made in fiscal years
16 following 2004, not to exceed the amount of \$200,000 in any
17 fiscal year, if funds are still available and program costs
18 are still being incurred. Up to \$200,000 may be appropriated
19 to the Office of the Secretary of State in each of fiscal
20 years 1999, 2000, and 2001~~7--and-2002~~ from the Alternate Fuels
21 Fund to pay the Secretary of State's costs of administering
22 the programs authorized under this Act.

23 (2) In fiscal year 1999, after appropriation of the
24 amounts authorized by paragraph (1), the remaining moneys
25 estimated to be collected during fiscal year 1999 shall be
26 appropriated as follows: 80% of each such remaining moneys
27 shall be appropriated to fund the programs authorized in
28 Section 30 and 20% shall be appropriated to fund the programs
29 authorized in Section 25.

30 (2.5) Beginning in fiscal year 2002, moneys from the
31 Fund may be used, subject to appropriation, for the purposes
32 of implementing Sections 31 and 32 of this Act, including
33 necessary administrative costs.

1 (3) In fiscal years 2000, 2001, and 2002, 2003, and 2004
 2 after appropriation of the amounts authorized by paragraphs
 3 paragraph (1) and (2.5), the remaining estimated amount of
 4 moneys remaining in the Fund ~~user--fees--expected--to-be~~
 5 ~~collected~~ shall be appropriated as follows: 80% of such
 6 estimated moneys shall be appropriated to fund the programs
 7 authorized in Section 30 and 20% shall be appropriated to
 8 fund the programs authorized in Section 25.

9 (4) Moneys appropriated to fund the programs authorized
 10 in Sections 25 and 30 shall be expended only after they have
 11 been ~~collected~~ and deposited into the Alternate Fuels Fund.

12 (Source: P.A. 89-410; 90-726, eff. 8-7-98.)

13 (415 ILCS 120/45)

14 Sec. 45. Alternate Fuels Fund; creation; deposit of user
 15 fees. A separate fund in the State Treasury called the
 16 Alternate Fuels Fund is created, into which shall be
 17 transferred the user fees as provided in Section 35 and any
 18 other revenues, deposits, State appropriations,
 19 contributions, grants, gifts, bequests, legacies of money and
 20 securities, or transfers as provided by law from, without
 21 limitation, governmental entities, private sources,
 22 foundations, trade associations, industry organizations, and
 23 not-for-profit organizations.

24 (Source: P.A. 89-410.)

25 Section 99. Effective date. This Act takes effect upon
 26 becoming law.