

AN ACT concerning alternate fuels.

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

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

(415 ILCS 120/10)

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

"Agency" means the Environmental Protection Agency.

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

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

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

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

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

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

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

~~bio-mass.~~

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

"GVWR" means Gross Vehicle Weight Rating.

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

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

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

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

(415 ILCS 120/30)

Sec. 30. Rebate program. Beginning January 1, 1997, and as long as funds are available, each owner of an alternate fuel vehicle shall be eligible to apply for a rebate. Beginning July 1, 2005, each owner of a vehicle using domestic renewable fuel is eligible to apply for a fuel cost differential rebate under subsection (c) of this Section. The Agency shall cause rebates to be issued under the provisions of this Act. An owner may apply for only one of 3 types of rebates with regard to an individual alternate fuel vehicle: (i) a conversion cost rebate, (ii) an OEM differential cost rebate, or (iii) a fuel cost differential rebate. Only one rebate may be issued with regard to a particular alternate fuel vehicle during the life of that vehicle. A rebate shall not exceed \$4,000 per vehicle. Over the life of this rebate program, an owner of an alternate fuel vehicle or a vehicle using domestic renewable fuel may not receive rebates for more than 150 vehicles per location or for 300 vehicles in total.

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

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

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

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

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

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

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

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

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

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

(415 ILCS 120/31)

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

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

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