

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 5. 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, excluding on-board electric
14 generation.

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

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

21 "Covered Area" means the counties of Cook, DuPage, Kane,
22 Lake, McHenry, and Will and those portions of Grundy County
23 and Kendall County that are included in the following ZIP
24 code areas, as designated by the U.S. Postal Service on the
25 effective date of this amendatory Act of 1998: 60416, 60444,
26 60447, 60450, 60481, 60538, and 60543.

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

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

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

3 "GVWR" means Gross Vehicle Weight Rating.

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

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

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

16 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
17 91-357, eff. 7-29-99.)

18 (415 ILCS 120/21 new)

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

33 The Advisory Board shall (1) prepare and recommend to the

1 Department of Commerce and Community Affairs a program
2 implementing Section 31 of this Act and (2) recommend
3 criteria and procedures to be followed in awarding grants.

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

9 (415 ILCS 120/25)

10 Sec. 25. Ethanol fuel research program. The Department
11 of Commerce and Community Affairs shall administer a research
12 program to reduce the costs of producing ethanol fuels and
13 increase the viability of ethanol fuels, new ethanol engine
14 technologies, and ethanol refueling infrastructure. This
15 research shall be funded from the Alternate Fuels Fund. The
16 research program shall remain in effect, subject to
17 appropriation after calendar year until-December-31, 2004
18 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, and
23 as long as funds are available, each owner of an alternate
24 fuel vehicle shall be eligible to apply for a rebate. The
25 Agency shall cause rebates to be issued under the provisions
26 of this Act. ~~The--Alternate--Fuels--Advisory--Board--shall~~
27 ~~develop--and--recommend--to--the--Agency--rules--that--provide~~
28 ~~incentives--or--other--measures--to--ensure--that--small--fleet~~
29 ~~operators--and--owners--participate-in,-and-benefit-from,-the~~
30 ~~rebate-program.--Such-rules-shall-define-and--identify--small~~
31 ~~fleet--operators--and--owners--in--the--covered-area-and-make~~
32 ~~provisions-for-the-establishment-of-criteria-to--ensure--that~~

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

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

34 (b) An OEM differential cost rebate may be issued to an

1 owner or his or her designee in order to reduce the cost
2 differential between a conventional vehicle or engine and the
3 same vehicle or engine, produced by an original equipment
4 manufacturer, that has the capability to use alternate fuels.

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

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

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

1 of--the--amount--appropriated--under--Section--40--to--be--used--to
2 fund--the--programs--authorized--by--this--Section--during--calendar
3 year--1998--shall--be--designated--to--fund--fuel--cost--differential
4 rebates.--If--the--total--dollar--amount--of--approved--fuel--cost
5 differential--rebate--applications--as--of--October--1,--1998--is
6 less--than--the--amount--designated--for--that--calendar--year,--the
7 balance--of--designated--funds--shall--be--immediately--available--to
8 fund--any--rebate--authorized--by--this--Section--and--approved--in
9 the--calendar--year.---An--applicant--may---include---on---an
10 application--submitted--in--1997--all--amounts--spent--within--that
11 calendar--year--on--fuel--cost--differential,--even--if---the
12 expenditure--occurred--before--the--promulgation--of--the--Agency
13 rules.

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

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

32 Twenty-five percent of the amount that is appropriated
33 under Section 40 to be used to fund programs authorized by
34 this Section during calendar year 2001 shall be designated to

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

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

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

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

22 (415 ILCS 120/31 new)

23 Sec. 31. Alternate Fuel Infrastructure Program. Subject
24 to appropriation, the Department of Commerce and Community
25 Affairs shall establish a grant program to provide funding
26 for the building of E85 blend, propane, and compressed
27 natural gas (CNG) fueling facilities, including private
28 on-site fueling facilities, to be built within the covered
29 area or in Illinois metropolitan areas over 100,000 in
30 population. The Department of Commerce and Community Affairs
31 shall be responsible for reviewing the proposals and awarding
32 the grants.

1 (415 ILCS 120/32 new)

2 Sec. 32. Clean Fuel Education Program. Subject to
3 appropriation, the Department of Commerce and Community
4 Affairs, in cooperation with the Agency 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, 2001, and 2002 the
13 Office of the Secretary of State shall collect annual user
14 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

the user fees collected into the Alternate Fuels Fund.

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

(415 ILCS 120/40)

Sec. 40. Appropriations from the Alternate Fuels Fund.

(a) User Fees Funds. The Agency shall estimate the amount of user fees expected to be collected under Section 35 of this Act for fiscal years 1999, 2000, 2001, and 2002. User fee funds shall be deposited into and distributed from the Alternate Fuels Fund in the following manner:

(1) In each of fiscal years 1999, 2000, 2001, and 2002, an amount not to exceed \$200,000 may be appropriated to the Agency from the Alternate Fuels Fund to pay its costs of administering the programs authorized by Section 30 of this Act. Up to \$200,000 may be appropriated to the Office of the Secretary of State in each of fiscal years 1999, 2000, 2001, and 2002 from the Alternate Fuels Fund to pay the Secretary of State's costs of administering the programs authorized under this Act.

(2) In fiscal years 1999, 2000, 2001, and 2002, after appropriation of the amounts authorized by item (1) of subsection (a) of this Section, the remaining moneys estimated to be collected during each fiscal year shall be appropriated as follows: 80% of the remaining moneys shall be appropriated to fund the programs authorized by Section 30, and 20% shall be appropriated to fund the programs authorized by Section 25.

(3) Additional appropriations to the Agency from the Alternate Fuels Fund to pay its costs of administering the programs authorized by Section 30 of this Act may be made in fiscal years following 2002, not to exceed the amount of \$200,000 in any fiscal year, if funds are still available and program costs are still

1 being incurred.

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

6 (b) General Revenue Fund Appropriations. General Revenue
7 Fund amounts appropriated to and deposited into the Alternate
8 Fuels Fund shall be distributed from the Alternate Fuels Fund
9 in the following manner:

10 (1) In each of fiscal years 2003 and 2004, an
11 amount not to exceed \$50,000 may be appropriated to the
12 Department of Commerce and Community Affairs from the
13 Alternate Fuels Fund to pay its costs of administering
14 the programs authorized by Sections 31 and 32.

15 (2) In each of fiscal years 2003 and 2004, an
16 amount not to exceed \$50,000 may be appropriated to the
17 Department of Commerce and Community Affairs to fund the
18 programs authorized by Section 32.

19 (3) In each of fiscal years 2003 and 2004, after
20 appropriation of the amounts authorized in items (1) and
21 (2) of subsection (b) of this Section, the remaining
22 moneys received from the General Revenue Fund shall be
23 appropriated as follows: 52.632% of the remaining moneys
24 shall be appropriated to fund the programs authorized by
25 Sections 25 and 30 and 47.368% of the remaining moneys
26 shall be appropriated to fund the programs authorized by
27 Section 31. The moneys appropriated to fund the
28 programs authorized by Sections 25 and 30 shall be used
29 as follows: 20% shall be used to fund the programs
30 authorized by Section 25, and 80% shall be used to fund
31 the programs authorized by Section 30.

32 Moneys appropriated to fund the programs authorized in
33 Section 31 shall be expended only after they have been
34 deposited into the Alternate Fuels Fund.

1 The--Agency--shall--estimate--the--amount--of--user--fees
2 expected--to--be--collected--for--fiscal--years--1999,-2000,-2001,
3 and--2002.--Moneys--shall--be--deposited--into--and--distributed
4 from--the--Alternate--Fuels--Fund--in--the--following--manner:

5 (1)--In--each--of--fiscal--years--1999,-2000,-2001,-2002--an
6 amount--not--to--exceed--\$200,000--may--be--appropriated--to--the
7 Agency--from--the--Alternate--Fuels--Fund--to--pay--its--costs--of
8 administering--the--programs--authorized--by--this--Act.--Up--to
9 \$200,000--may--be--appropriated--to--the--Office--of--the--Secretary
10 of--State--in--each--of--fiscal--years--1999,-2000,-2001,--and--2002
11 from--the--Alternate--Fuels--Fund--to--pay--the--Secretary--of--State's
12 costs--of--administering--the--programs--authorized--under--this
13 Act.

14 (2)--In--fiscal--year--1999,--after--appropriation--of--the
15 amounts--authorized--by--paragraph--(1),--the--remaining--moneys
16 estimated--to--be--collected--during--fiscal--year--1999--shall--be
17 appropriated--as--follows:--80%-of--each--such--remaining--moneys
18 shall--be--appropriated--to--fund--the--programs--authorized--in
19 Section--30--and--20%--shall--be--appropriated--to--fund--the--programs
20 authorized--in--Section--25.

21 (3)--In--fiscal--years--2000,-2001,-and--2002,--after
22 appropriation--of--the--amounts--authorized--by--paragraph--(1),--the
23 remaining--estimated--amount--of--user--fees--expected--to--be
24 collected--shall--be--appropriated--as--follows:--80%-of--such
25 estimated--moneys--shall--be--appropriated--to--fund--the--programs
26 authorized--in--Section--30--and--20%--shall--be--appropriated--to
27 fund--the--programs--authorized--in--Section--25.

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

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

32 (415 ILCS 120/45)

33 Sec. 45. Alternate Fuels Fund; creation; deposit of user

1 fees. A separate fund in the State Treasury called the
2 Alternate Fuels Fund is created, into which shall be
3 transferred the user fees as provided in Section 35 and any
4 other revenues, deposits, State appropriations,
5 contributions, grants, gifts, bequests, legacies of money and
6 securities, or transfers as provided by law from, without
7 limitation, governmental entities, private sources,
8 foundations, trade associations, industry organizations, and
9 not-for-profit organizations.

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

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