

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 1165 of the Regular Session

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H3/21/11 H3/28/11

A Bill

HOUSE BILL 1050

5 By: Representatives *Westerman, Stubblefield, Eubanks, Johnston, D. Altes*
6

For An Act To Be Entitled

8 *AN ACT TO PROMOTE ENERGY EFFICIENCY AND CONSERVATION;*
9 *AND FOR OTHER PURPOSES.*

Subtitle

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11
12 *TO PROMOTE ENERGY EFFICIENCY AND*
13 *CONSERVATION.*
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 *SECTION 1. Arkansas Code § 15-13-102, concerning definitions used in*
20 *the Arkansas Alternative Fuels Development Act, is amended to add additional*
21 *subdivisions to read as follows:*

22 *(12) "Bi-fuel compressed natural gas school bus" means a school*
23 *bus that is powered by compressed natural gas and gasoline or diesel;*

24 *(13) "Conversion kit" means a set of supplies, materials, parts,*
25 *tools, or equipment used to convert a diesel-powered or gasoline-powered*
26 *school bus to a dedicated or bi-fuel compressed natural gas school bus; and*

27 *(14) "Dedicated compressed natural gas school bus" means a*
28 *school bus that is powered only by compressed natural gas.*
29

30 *SECTION 2. Arkansas Code § 15-13-301 is amended to read as follows:*
31 *15-13-301. Arkansas Alternative Fuels Development Program.*

32 *(a) The Arkansas Alternative Fuels Development Program is established*
33 *and shall be developed and administered by the Arkansas Agriculture*
34 *Department.*

35 *(b) The program shall include ~~three (3)~~ four (4) types of ~~grant~~*
36 *incentives:*



1 (1) Capital and operation production incentives for alternative
2 fuels producers;

3 (2) Production incentives for feedstock processors; ~~and~~

4 (3) Distribution incentives for alternative fuels distributors;
5 and

6 (4) Rebate incentives for the costs of converting diesel-powered
7 and gasoline-powered school buses into dedicated or bi-fuel compressed
8 natural gas school buses.

9 (c) The ~~grant~~ incentives under this subchapter are available only for
10 the following after ~~January 1, 2007~~ July 1, 2011:

11 (1) Capital investments in alternative fuels production
12 facilities, feedstock processing facilities, or distribution facilities;

13 (2) The production of alternative fuels; ~~or~~

14 (3) The processing of feedstock; or

15 (4) The conversion of diesel-powered and gasoline-powered school
16 buses to dedicated or bi-fuel compressed natural gas school buses.

17
18 SECTION 3. Arkansas Code Title 15, Chapter 13, Subchapter 3 is amended
19 to add an additional section to read as follows:

20 15-13-306. Rebate incentives for modification of school buses.

21 (a) The Arkansas Alternative Fuels Development Program shall include
22 an incentive program that provides a rebate to Arkansas school districts to
23 assist in the purchase of a conversion kit used to convert a diesel-powered
24 school bus or gasoline-powered school bus to a dedicated or bi-fuel
25 compressed natural gas school bus and for the incremental costs associated
26 with the conversion of a diesel-powered school bus or gasoline-powered school
27 bus into a dedicated or bi-fuel compressed natural gas school bus.

28 (b) Additional funding for the incentive program provided by this
29 section shall be from gifts, grants, private donations, and other funds made
30 available by the General Assembly.

31 (c) The Arkansas Agriculture Department shall create a rebate
32 application process for an Arkansas school district to obtain a rebate that
33 shall include:

34 (1) An application for a rebate under this subchapter that shall
35 include at a minimum:

36 (A) An affidavit or proof that the school bus is

1 registered in Arkansas or will be registered in Arkansas upon acquisition of
2 the school bus; and

3 (B) The incremental costs associated with the conversion
4 of a diesel-powered school bus or gasoline-powered school bus into a
5 dedicated or bi-fuel compressed natural gas school bus;

6 (2) Instructions about the rebate process;

7 (3) Scoring procedures to determine the award of the rebates;

8 and

9 (4) Other factors that the Secretary of the Arkansas Agriculture
10 Department deem necessary.

11 (d)(1) The Arkansas Agriculture Department shall prepare an annual
12 progress report on rebates made under this section.

13 (2) The report shall include:

14 (A) The amount of each rebate;

15 (B) The purpose of the rebate;

16 (C) The total amount expended by the rebate recipient in
17 converting the school bus to a dedicated or bi-fuel compressed natural gas
18 school bus; and

19 (D) The results produced or the progress made in the
20 overall conversion of diesel-powered school buses and gasoline-powered school
21 buses to dedicated or bi-fuel compressed natural gas school buses.

22 (3) The report for each state fiscal year shall be filed by June
23 30 of the following fiscal year with the office of the Governor and the
24 Legislative Council.

25 (e) An independent third-party evaluator selected by the department
26 shall:

27 (1) Study the use of a diesel-powered and gas-powered school bus
28 as compared to a dedicated or bi-fuel compressed natural gas school bus in
29 the following areas:

30 (A) Environmental impact;

31 (B) Operational costs; and

32 (C) Maintenance costs;

33 (2) Prepare an annual report of the results from the study; and

34 (3) File the annual report by June 30 of the following fiscal
35 year with the office of the Governor and the Legislative Council.

36 (f) The rebate to be awarded by the department is seventy-five percent

1 (75%) of the cost for the conversion kit and incremental costs of converting
2 to a dedicated or bi-fuel compressed natural gas school bus.

3 (g) No school district may receive more than fifty thousand dollars
4 (\$50,000) per fiscal year for school bus conversion kit costs and incremental
5 costs.

6
7 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly of the State of Arkansas that diesel-powered and gasoline-
9 powered school buses are contributing to air pollution in this state; that
10 school buses powered by compressed natural gas are more environmentally clean
11 and a great alternative to diesel-powered and gasoline-powered school buses;
12 that the cost of diesel and gasoline is much greater than the cost of
13 compressed natural gas; that school districts need the cost savings and the
14 environmental enhancement of providing school buses powered by compressed
15 natural gas; and that providing a rebate would encourage school districts to
16 convert their school buses to dedicated or bi-fuel compressed natural gas
17 school buses. Therefore, an emergency is declared to exist and this act
18 being necessary for the preservation of the public peace, health, and safety
19 shall become effective on July 1, 2011.

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21 /s/Westerman

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24 **APPROVED: 04/04/2011**