

1 State of Arkansas
2 88th General Assembly
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4

As Engrossed: H3/15/11

A Bill

HOUSE BILL 1914

5 By: Representatives Tyler, T. Rogers, T. Thompson, Dale, *S. Meeks, Gillam*
6

For An Act To Be Entitled

8 AN ACT TO PROVIDE INCENTIVES FOR CONVERTING MOTOR
9 VEHICLES TO BE POWERED BY COMPRESSED NATURAL GAS; AND
10 FOR OTHER PURPOSES.
11

Subtitle

12 TO PROVIDE INCENTIVES FOR CONVERTING THE
13 OPERATION OF MOTOR VEHICLES TO OPERATE ON
14 COMPRESSED NATURAL GAS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 15-13-102, concerning definitions used in
22 the Arkansas Alternative Fuels Development Act, is amended to add an
23 additional subdivision to read as follows:

24 (12) "Bi-fuel compressed natural gas motor vehicle" means a
25 motor vehicle that is powered by compressed natural gas and gasoline or
26 diesel;

27 (13) "Conversion kit" means a set of supplies, materials, parts,
28 tools, or equipment used to convert a diesel-powered or gasoline-powered
29 motor vehicle to a dedicated or bi-fuel compressed natural gas motor vehicle;

30 (14) "Dedicated compressed natural gas motor vehicle"
31 means a motor vehicle that is powered only by compressed natural
32 gas; and

33 (15) "Differential costs" means the difference in costs between
34 a dedicated natural gas vehicle and a comparably equipped motor vehicle
35 powered by gasoline or diesel.
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1 SECTION 2. Arkansas Code § 15-13-301 is amended to read as follows:

2 15-13-301. Arkansas Alternative Fuels Development Program.

3 (a) The Arkansas Alternative Fuels Development Program is established
4 and shall be developed and administered by the Arkansas Agriculture
5 Department.

6 (b) The program shall include ~~three (3)~~ four (4) types of ~~grant~~
7 incentives:

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

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

11 (3) Distribution incentives for alternative fuels distributors;
12 and

13 (4) Rebate incentives for the:

14 (A) Differential costs of a dedicated motor vehicle; and

15 (B) Costs of converting diesel and gasoline motor vehicles
16 into dedicated or bi-fuel compressed natural gas motor vehicles.

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

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

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

22 (3) The processing of feedstock; or

23 (4) The conversion of diesel-powered and gasoline-powered motor
24 vehicles to dedicated or bi-fuel compressed natural gas motor vehicles.

25
26 SECTION 2. Arkansas Code Title 15, Chapter 13, Subchapter 3 is amended
27 to add an additional section to read as follows:

28 15-13-306. Rebate incentives for modification by a certified
29 technician of motor vehicles.

30 (a) The Arkansas Alternative Fuels Development Program shall include
31 an incentive program that provides a rebate to a single public entity,
32 company, organization, or its affiliate, to assist in the purchase of a
33 conversion kit used to convert a diesel motor vehicle or gasoline motor
34 vehicle to a dedicated or bi-fuel compressed natural gas motor vehicle and
35 for the differential and incremental costs associated with the conversion of
36 a diesel motor vehicle or gasoline motor vehicle into a dedicated or bi-fuel

1 compressed natural gas motor vehicle.

2 (b) The Arkansas Agriculture Department shall create a rebate
3 application process for a single public entity, company, organization, or
4 its affiliate, to obtain a rebate that shall include:

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

7 (A) An affidavit or proof that the motor vehicle is
8 registered in Arkansas or will be registered in Arkansas upon acquisition of
9 the motor vehicle; and

10 (B) Evidence of:

11 (i) The purchase of a dedicated motor vehicle and
12 the differential costs; or

13 (ii) The differential costs or incremental costs
14 associated with the conversion of a diesel motor vehicle or gasoline motor
15 vehicle into a dedicated or bi-fuel compressed natural gas motor vehicle;

16 (2) Instructions about the rebate process;

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

18 and

19 (4) Other factors that the Secretary of the Arkansas Agriculture
20 Department deem necessary.

21 (c)(1) The department shall prepare an annual progress report on
22 rebates made under this section.

23 (2) The report shall include:

24 (A) The amount of each rebate;

25 (B) The purpose of the rebate;

26 (C) The total amount expended by the rebate recipient in
27 converting the motor vehicle to a dedicated or bi-fuel compressed natural gas
28 motor vehicle; and

29 (D) The results produced or the progress made in the
30 overall conversion of diesel motor vehicles and gasoline motor vehicles to
31 dedicated or bi-fuel compressed natural gas motor vehicles.

32 (3) The report for each state fiscal year shall be filed by June
33 30 of the following fiscal year with the office of the Governor and the
34 Legislative Council.

35 (d) The rebate to be awarded by the department is the lesser of:

36 (1) Fifty percent (50%) of the cost for the differential costs,

1 conversion kit, and incremental costs of converting to a dedicated or bi-fuel
2 compressed natural gas motor vehicle; or:

3 (2) As determined by weight:

4 (A) Five thousand dollars (\$5,000) for a motor vehicle
5 with a gross vehicle weight rating of not more than eight thousand five
6 hundred pounds (8,500 lbs.);

7 (B) Eight thousand dollars (\$8,000) for a motor vehicle
8 with a gross vehicle weight rating of more than eight thousand five hundred
9 pounds (8,500 lbs.) but not more than fourteen thousand pounds (14,000 lbs.);
10 or

11 (C) Thirty-two thousand dollars (\$32,000) for a motor
12 vehicle with a gross vehicle weight rating of more than twenty-six thousand
13 pounds (26,000 lbs.)

14 (e) No single person, public entity, company, organization, or its
15 affiliates may receive more than seventy-five thousand dollars (\$75,000) per
16 fiscal year for motor vehicle conversion kit costs, differential costs, and
17 incremental costs.

18 (f) An alternative fuel distributor receiving a grant under § 15-13-
19 304 may also receive a rebate under this section.

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21 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
22 General Assembly of the State of Arkansas that diesel-powered and gasoline-
23 powered motor vehicles are contributing to air pollution in this state; that
24 motor vehicles powered by compressed natural gas are more environmentally
25 clean and a great alternative to diesel-powered and gasoline-powered motor
26 vehicles; that the cost of diesel and gasoline is much greater than the cost
27 of compressed natural gas; that Arkansans need the cost savings and the
28 environmental enhancement of driving a motor vehicle powered by compressed
29 natural gas; and that providing a rebate would encourage Arkansans to convert
30 their motor vehicles to dedicated or bi-fuel compressed natural gas motor
31 vehicles. Therefore, an emergency is declared to exist and this act being
32 necessary for the preservation of the public peace, health, and safety shall
33 become effective on July 1, 2011.

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35 /s/Tyler

36 **APPROVED: 03/30/2011**