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2 89th General Assembly
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4

As Engrossed: H3/25/13

A Bill

HOUSE BILL 1834

5 By: Representative Westerman
6

For An Act To Be Entitled

8 AN ACT TO ESTABLISH THE *SCHOOL BUS COMPRESSED NATURAL*
9 *GAS CONVERSION AND ASSISTANCE LOAN PROGRAM*; AND FOR
10 OTHER PURPOSES.
11

Subtitle

12
13 *TO ESTABLISH THE SCHOOL BUS COMPRESSED*
14 *NATURAL GAS CONVERSION AND ASSISTANCE*
15 *LOAN PROGRAM.*
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19 *SECTION 1. Arkansas Code Title 6, Chapter 19, is amended to add an*
20 *additional subchapter to read as follows:*
21

22 *Subchapter 2 - School Bus Compressed Natural Gas Conversion and*
23 *Assistance Loan Program.*
24

25 *6-19-201. Established - Purpose.*

26 *There is established the School Bus Compressed Natural Gas Conversion*
27 *and Assistance Loan Program under which the Division of Public School*
28 *Academic Facilities and Transportation shall provide school districts with*
29 *loans to assist school districts with the:*

30 *(1) Conversion of diesel or gasoline school buses to compressed*
31 *natural gas school buses;*

32 *(2) Purchase of a compressed natural gas school buses, limited to*
33 *the difference between the price of a diesel school bus and a like model*
34 *compressed natural gas school bus; and*

35 *(3) Construction of or development of a site for compressed*
36 *natural gas refueling stations.*



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6-19-202. Definitions.

As used in this subchapter:

(1) "Compressed natural gas" means a fossil fuel substitute for gasoline, diesel fuel, propane, or liquid propane gas that is:

(A) Composed primarily of methane; and

(B) Compressed to a volume that is less than one percent (1%) of the volume it occupies at standard atmospheric pressure;

(2) "Compressed natural gas school bus" means a school bus that is fueled by compressed natural gas; and

(3) "Conversion" means the process of converting a diesel or gasoline school bus to a compressed natural gas school bus.

6-19-203. Application for loan.

(a)(1) A school district may apply to participate in the School Bus Compressed Natural Gas Conversion and Assistance Loan Program by submitting an application to the Division of Public School Academic Facilities and Transportation for loans to assist with:

(A) Conversions;

(B) The purchase of compressed natural gas school buses, limited to the difference in price of a diesel school bus and a like model compressed natural gas school bus; and

(C) The construction of or development of a site for compressed natural gas refueling stations.

(2) A school district's application shall be received by the division no later than July 1, 2014, for consideration to participate in the program.

(b) As part of a school district's application for program participation under this subchapter, a school district shall provide evidence of:

(1) The need for the conversion of a school bus, the purchase of a compressed natural gas school bus, or the construction of or development of a site for a compressed natural gas refueling station;

(2) The estimated cost of the conversion, an estimate of the difference in purchase price between a diesel school bus and a like model compressed natural gas school bus, or the estimated cost of the construction

1 of or development of a site for a compressed natural gas refueling station;
2 and

3 (3) Any additional information determined by the division to be
4 necessary to evaluate the school district's application.

5 (c)(1) The division shall evaluate a school district's application and
6 notify the school district of the division's decision on the application,
7 and, if approved, the amount of loan assistance to be provided.

8 (2) If the division receives more applications for participation
9 than there are funds available, the division shall prioritize program
10 participation based on several factors, including without limitation:

11 (A) The need for the conversion, the purchase of a
12 compressed natural gas school bus, or the construction of or development of a
13 site for a compressed natural gas refueling station;

14 (B) The school district's average daily route miles, with
15 school districts having more average daily route miles receiving priority;
16 and

17 (C) The prudent and resourceful expenditure of state funds
18 with regard to public school buses.

19 (3) A school district's academic facilities wealth index shall
20 not be a factor under subdivision (c)(2) of this section.

21
22 6-19-204. Loan assistance.

23 (a)(1) If a school district is approved for participation in the
24 School Bus Compressed Natural Gas Conversion and Assistance Loan Program, the
25 Division of Public School Academic Facilities and Transportation shall
26 certify the amount of the loan assistance to the Commission for Arkansas
27 Public School Academic Facilities and Transportation for oversight purposes.

28 (2) The commission shall certify the amount to the Department of
29 Education for payment.

30 (b)(1) Loan assistance provided to a school district under this
31 subchapter shall be repaid without interest over a period of twelve (12)
32 years.

33 (2) If a school district stops participating in the program by
34 repaying the loan before twelve (12) years, the school district shall not
35 receive loan forgiveness provided under § 6-19-205 for the years the school
36 district does not participate in the program.

1 (c) For tracking purposes, the school district shall account for the
2 loan assistance funds under provisions of law, including without limitation
3 the Arkansas Educational Financial Accounting and Reporting Act of 2004, § 6-
4 20-2201 et seq., and rules established by the State Board of Education and
5 the commission.

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7 6-19-205. Loan forgiveness.

8 (a) A school district that participates in the School Bus Compressed
9 Natural Gas Conversion and Assistance Loan Program is eligible for loan
10 forgiveness up to:

11 (1) Fifty percent (50%) of the total loan assistance provided
12 for a conversion;

13 (2) Fifty percent (50%) of the total loan assistance provided
14 for a the purchase of a compressed natural gas school bus; and

15 (3) Seventy-five percent (75%) of the total loan assistance
16 provided for the construction of or development of a site for a compressed
17 natural gas refueling station.

18 (b) For each year of participation in the program, the Division of
19 Public School Academic Facilities and Transportation shall forgive:

20 (1) One-twelfth (1/12) of fifty percent (50%) of the total loan
21 assistance provided for conversion or for the purchase of a compressed
22 natural gas school bus; and

23 (2) One-twelfth (1/12) of seventy-five percent (75%) of the
24 total loan assistance provided for the construction of or development of a
25 site for a compressed natural gas refueling station.

26 (c) The division shall calculate the amount forgiven each year and
27 provide the school district with the amount due for that year.

28
29 6-19-206. Standards for school bus purchases -- Compressed natural gas
30 refueling station limitations.

31 (a) A school district shall conform the purchase of compressed natural
32 gas school buses under the School Bus Compressed Natural Gas Conversion and
33 Assistance Loan Program to the current academic equipment standards unless in
34 the judgment of the Division of Public School Academic Facilities and
35 Transportation it is impractical to conform the purchase to current
36 standards.

1 (b) If a school district constructs or develops a site for a
2 compressed natural gas refueling station under the program, the compressed
3 natural gas refueling station shall be constructed and operated on property
4 owned by the school district.

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6 6-19-207. Rules.

7 The Division of Public School Academic Facilities and Transportation
8 shall adopt rules to implement and administer this subchapter.

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10 SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12, is
11 amended to add an additional section to read as follows:

12 19-5-1249. School Bus Compressed Natural Gas Conversion and Assistance
13 Loan Program Fund.

14 (a) There is created on the books of the Treasurer of the State, the
15 Auditor of the State, and the Chief Fiscal Officer of the State a
16 miscellaneous fund to be known as the "School Bus Compressed Natural Gas
17 Conversion and Assistance Loan Program Fund".

18 (b) The fund shall consist of:

19 (1) General revenues as may be authorized by law; and

20 (2) Other revenues as may be provided by law.

21 (c) The fund shall be used for distributing loan assistance to school
22 districts for the following purposes:

23 (1) Conversion of school buses to natural gas;

24 (2) Purchase of compressed natural gas school buses, limited to
25 the difference between the price of a diesel school bus and a like model
26 compressed natural gas school bus; and

27 (3) Construction of or development of a site for compressed
28 natural gas refueling stations.

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30 /s/Westerman