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4

As Engrossed: S1/31/13 H2/7/13

A Bill

SENATE BILL 125

5 By: Senators B. Pierce, Burnett, Bledsoe, Bookout, Caldwell, E. Cheatham, A. Clark, J. Hendren, Hester,
6 Holland, Maloch, Rapert, G. Stubblefield, R. Thompson, J. Woods
7 *By: Representative Jean*
8

For An Act To Be Entitled

9
10 AN ACT TO PROVIDE INCENTIVES FOR CONVERTING DIESEL-
11 POWERED MOTOR VEHICLES AND GASOLINE-POWERED MOTOR
12 VEHICLES TO MOTOR VEHICLES POWERED BY COMPRESSED
13 NATURAL GAS OR PROPANE GAS; TO DECLARE AN EMERGENCY;
14 AND FOR OTHER PURPOSES.
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Subtitle

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18 TO PROVIDE INCENTIVES FOR CONVERTING
19 DIESEL-POWERED MOTOR VEHICLES AND
20 GASOLINE-POWERED MOTOR VEHICLES TO MOTOR
21 VEHICLES POWERED BY COMPRESSED NATURAL
22 GAS OR PROPANE GAS; AND TO DECLARE AN
23 EMERGENCY.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 15-13-102(5), concerning the definitions to
29 be used under the Arkansas Alternative Fuels Development Act, is amended to
30 read as follows:

31 (5) "Bi-fuel compressed natural gas ~~school-bus~~ motor vehicle"
32 means a ~~school-bus~~ motor vehicle that is powered by ~~compressed~~;

- 33 (A) Compressed natural gas; and ~~gasoline~~
- 34 (B) Gasoline or diesel;

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36 SECTION 2. Arkansas Code § 15-13-102(8) and (9), concerning the



1 definitions to be used under the Arkansas Alternative Fuels Development Act,
2 are amended to read as follows:

3 (8) "Conversion kit" means a set of supplies, materials, parts,
4 tools, or equipment used to convert a diesel-powered or gasoline-powered
5 ~~school bus motor vehicle~~ to a dedicated compressed natural gas motor vehicle,
6 ~~or bi-fuel compressed natural gas school bus motor vehicle,~~ dedicated propane
7 gas vehicle, or bi-fuel propane gas motor vehicle;

8 (9) "Dedicated compressed natural gas ~~school bus motor vehicle~~"
9 means a ~~school bus motor vehicle~~ that is powered only by compressed natural
10 gas;

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12 SECTION 3. Arkansas Code § 15-13-102, concerning the definitions to be
13 used under the Arkansas Alternative Fuels Development Act, is amended to add
14 four additional subdivisions to read as follows:

15 (15) "Bi-fuel propane gas motor vehicle" means a motor vehicle
16 that is powered by:

17 (A) Propane gas; and

18 (B) Gasoline or diesel;

19 (16) "Dedicated propane gas motor vehicle" means a motor vehicle
20 that is powered only by propane gas; and

21 (17) "Differential costs" means the difference in costs between:

22 (A) A dedicated compressed natural gas motor vehicle or a
23 dedicated propane gas motor vehicle;

24 (B) A comparably equipped motor vehicle powered by
25 gasoline or diesel; and

26 (18) "Incremental costs" means the difference in the costs
27 between:

28 (A) Converting a motor vehicle to a dedicated compressed
29 natural gas motor vehicle, bi-fuel compressed natural gas motor vehicle,
30 dedicated propane gas motor vehicle, or bi-fuel propane gas motor vehicle,
31 including the original cost of the vehicle; and

32 (B) A comparably equipped dedicated compressed natural gas
33 motor vehicle, bi-fuel compressed natural gas motor vehicle, dedicated
34 propane gas motor vehicle, or bi-fuel propane gas motor vehicle.

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36 SECTION 4. Arkansas Code § 15-13-301 is amended to read as follows:

1 15-13-301. Arkansas Alternative Fuels Development Program.

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

5 (b) The program shall include four (4) types of incentives:

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

8 (2) Production incentives for feedstock processors;

9 (3) Distribution incentives for alternative fuels distributors;
10 and

11 (4) Rebate incentives for the ~~costs~~:

12 (A) Differential costs; and

13 (B) Costs of converting a diesel-powered ~~and~~ or gasoline-
14 powered ~~school buses~~ motor vehicle into ~~dedicated or bi-fuel a~~:

15 (i) Dedicated compressed natural gas ~~school buses~~
16 motor vehicle;

17 (ii) Bi-fuel compressed natural gas motor vehicle;

18 (iii) Dedicated propane gas motor vehicle; or

19 (iv) Bi-fuel propane gas motor vehicle.

20 (c) The incentives under this subchapter are available only for the
21 following after July 1, ~~2011~~ 2013:

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

24 (2) The production of alternative fuels;

25 (3) The processing of feedstock; or

26 (4) The conversion of a diesel-powered ~~and~~ or gasoline-powered
27 ~~school buses to dedicated or bi-fuel~~ motor vehicle into a:

28 (A) Dedicated compressed natural gas ~~school buses~~ motor
29 vehicle;

30 (B) Bi-fuel compressed natural gas motor vehicle;

31 (C) Dedicated propane gas motor vehicle; or

32 (D) Bi-fuel propane gas motor vehicle.

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34 SECTION 5. Arkansas Code § 15-13-306 is amended to read as follows:

35 15-13-306. Rebate incentives for modification of ~~school buses~~ motor
36 vehicles.

1 (a) The Arkansas Alternative Fuels Development Program shall include
2 an incentive program that provides a rebate to ~~Arkansas school districts to a~~
3 public entity, a company, an organization, or an affiliate of a public
4 entity, a company, or an organization:

5 (1) To assist in the purchase of a conversion kit used to
6 convert a diesel-powered ~~school bus~~ motor vehicle or gasoline-powered ~~school~~
7 ~~bus~~ motor vehicle to a dedicated ~~or~~ compressed natural gas motor vehicle, bi-
8 fuel compressed natural gas ~~school bus~~ motor vehicle, dedicated propane gas
9 motor vehicle, or bi-fuel propane gas motor vehicle; and ~~for~~

10 (2) For the differential costs and incremental costs associated
11 with the conversion of a diesel-powered ~~school bus~~ motor vehicle or gasoline-
12 powered ~~school bus~~ motor vehicle into a dedicated ~~or~~ compressed natural gas
13 motor vehicle, bi-fuel compressed natural gas ~~school bus~~ motor vehicle,
14 dedicated propane gas motor vehicle, or bi-fuel propane gas motor vehicle.

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

18 (c) The Arkansas Agriculture Department shall create a rebate
19 application process for ~~an Arkansas school district~~ a public entity, a
20 company, an organization, or an affiliate of a public entity, a company, or
21 an organization to obtain a rebate that shall include:

22 (1) An application for a rebate under this subchapter that shall
23 include ~~at a minimum:~~

24 (A) An affidavit or proof that the ~~school bus~~ motor
25 vehicle is registered in Arkansas or will be registered in Arkansas upon
26 acquisition of the ~~school bus~~ motor vehicle; and

27 (B) ~~The incremental costs associated with the conversion~~
28 ~~of a diesel-powered school bus or gasoline-powered school bus into a~~
29 ~~dedicated or bi-fuel compressed natural gas school bus;~~ Evidence of the
30 following:

31 (i) The purchase of a dedicated compressed natural
32 gas motor vehicle or a dedicated propane gas motor vehicle and the
33 differential costs; or

34 (ii) The differential costs, incremental costs, or
35 the costs associated with the conversion of a diesel-powered motor vehicle or
36 gasoline-powered motor vehicle into a dedicated compressed natural gas motor

1 vehicle, bi-fuel compressed natural gas motor vehicle, dedicated propane gas
2 motor vehicle, or bi-fuel propane gas motor vehicle;

3 (2) Instructions about the rebate process;

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

5 and

6 (4) Other factors that the Secretary of the Arkansas Agriculture
7 Department deems necessary.

8 (d)(1) The department shall prepare an annual progress report on
9 rebates made under this section.

10 (2) The report shall include:

11 (A) The amount of each rebate;

12 (B) The purpose of the rebate;

13 (C) The total amount expended by the rebate recipient in
14 converting the ~~school-bus~~ diesel-powered motor vehicle or gasoline-powered
15 motor vehicle to a dedicated ~~or~~ compressed natural gas motor vehicle, bi-fuel
16 compressed natural gas ~~school-bus~~ motor vehicle, dedicated propane gas motor
17 vehicle, or bi-fuel propane gas motor vehicle; and

18 (D) The results produced or the progress made in the
19 overall conversion of diesel-powered ~~school-buses~~ motor vehicles and
20 gasoline-powered ~~school-buses~~ motor vehicles to dedicated ~~or~~ compressed
21 natural gas motor vehicles, bi-fuel compressed natural gas ~~school-bus~~ motor
22 vehicles, dedicated propane gas motor vehicles, or bi-fuel propane gas motor
23 vehicles.

24 (3) The report for each state fiscal year shall be filed by June
25 30 of the following fiscal year with the office of the Governor and the
26 Legislative Council.

27 (e) An independent third-party evaluator selected by the department
28 shall:

29 (1) Study the use of a diesel-powered motor vehicle ~~and~~ or gas-
30 powered ~~school-bus~~ motor vehicle as compared to a dedicated ~~or~~ compressed
31 natural gas motor vehicle, bi-fuel compressed natural gas ~~school-bus~~ motor
32 vehicle, dedicated propane gas motor vehicle, or bi-fuel propane gas motor
33 vehicle in the following areas:

34 (A) Environmental impact;

35 (B) Operational costs; and

36 (C) Maintenance costs;

1 (2) Prepare an annual report of the results from the study; and
 2 (3) File the annual report by June 30 of the following fiscal
 3 year with the office of the Governor and the Legislative Council.

4 (f) The rebate to be awarded by the department is ~~seventy-five~~ the
 5 lesser of:

6 (1) Seventy-five percent (75%) of the cost for the differential
 7 costs, conversion kit, and incremental costs of converting a diesel-powered
 8 motor vehicle or gasoline-powered motor vehicle to a dedicated ~~or~~ compressed
 9 natural gas motor vehicle, bi-fuel compressed natural gas ~~school-bus~~ motor
 10 vehicle, dedicated propane gas motor vehicle, or bi-fuel propane gas motor
 11 vehicle; or

12 (2) As determined by weight:

13 (A) Five thousand dollars (\$5,000) for a motor vehicle
 14 with a gross vehicle weight rating that does not exceed eight thousand five
 15 hundred pounds (8,500 lbs.);

16 (B) Eight thousand dollars (\$8,000) for a motor vehicle
 17 with a gross vehicle weight rating that is more than eight thousand five
 18 hundred pounds (8,500 lbs.) but does not exceed fourteen thousand pounds
 19 (14,000 lbs.);

20 (C) Twenty thousand dollars (\$20,000) for a motor vehicle
 21 with a gross weight rating that is more than fourteen thousand pounds (14,000
 22 lbs.) but does not exceed twenty-six thousand pounds (26,000 lbs.); or

23 (D) Thirty-two thousand dollars (\$32,000) for a motor
 24 vehicle with a gross vehicle weight rating of more than twenty-six thousand
 25 pounds (26,000 lbs.).

26 (g) No ~~school district~~ may A public entity, a company, an
 27 organization, or an affiliate of a public entity, a company, or an
 28 organization shall not receive more than fifty thousand dollars (\$50,000) per
 29 fiscal year for ~~school-bus~~ conversion kit costs, differential costs, and
 30 incremental costs.

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 32 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
 33 General Assembly of the State of Arkansas that diesel-powered and gasoline-
 34 powered motor vehicles are contributing to air pollution in this state; that
 35 motor vehicles powered by compressed natural gas or propane gas are
 36 environmentally cleaner and are a great alternative to diesel-powered and

1 gasoline-powered motor vehicles; that the costs of diesel and gasoline are
2 much greater than the costs of compressed natural gas and propane gas; that
3 Arkansans need the cost savings and the environmental enhancement of driving
4 a motor vehicle powered by compressed natural gas or propane gas; and that
5 this act is necessary because providing incentives would encourage Arkansans
6 to convert their motor vehicles to motor vehicles that are powered by
7 compressed natural gas or propane gas, which would help both the environment
8 and the economy in Arkansas. Therefore, an emergency is declared to exist,
9 and this act being necessary for the preservation of the public peace,
10 health, and safety shall become effective on July 1, 2013.

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12 */s/B. Pierce*
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