

Department of Finance and Administration

Legislative Impact Statement

Bill: SB792

Bill Subtitle: TO CREATE THE ARKANSAS CLEAN-BURNING MOTOR FUEL DEVELOPMENT ACT; AND TO CREATE THE CLEAN-BURNING MOTOR FUEL DEVELOPMENT FUND.

Basic Change :

Senator Teague

Representative Jean

This bill creates new rebates for eligible costs related to motor vehicles that are propelled by qualified clean-burning motor vehicle property fuel, which includes the following: hydrogen fuel cell (hydrogen), compressed natural gas (CNG), liquefied natural gas (LNG), or liquefied petroleum gas (LPG).

The rebates available are equal to:

75% of the costs for CNG or LNG refueling stations, not to exceed \$400,000 per station;

50% of the cost to convert a 2012 or later model year vehicle from gas or diesel to hydrogen, CNG, LNG, or LPG, not to exceed \$4,500 per vehicle;

50% of the cost of a 2012 or later model year vehicle originally equipped to be propelled by hydrogen, CNG, LNG, or LPG, not to exceed \$4,500 per vehicle; and

50% of the cost new property directly related to compression and delivery of natural gas at a private residence, not to exceed \$2,500 per residence.

This bill also creates a fund that consists of grants, funds from other energy programs, carry over balances of un-used funds, and any other funds provided by law. The fund will be used by the Arkansas Energy Office of the Arkansas Economic Development Commission to offer rebates to taxpayers that have applied and have been approved to receive rebates.

Revenue Impact :

No impact to State General Revenue. Any rebates granted will be made from the Clean-burning Motor Fuel Development Fund which will receive funding from grants, funds from other energy programs and other funds as provided by law.

Taxpayer Impact :

Taxpayers may apply for rebates from the Arkansas Energy Office. However, a taxpayer may not claim a rebate for qualified clean-burning vehicle fuel property if the taxpayer has claimed another rebate or incentive for the same motor vehicle under any other state rebate or incentive program.

Resources Required :

None.

Time Required :

None.

Other Comments :

Senate Bill 185 of 2013 and SB125 of 2013 both provide incentives and grants for alternative fuels usage. Care should be taken to ensure that multiple incentives are not enacted for the same activity.

Legal Analysis :

None