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.

| 1 | State of Arkansas | As Engrossed: H2/8/07 | | |
|----|----------------------------------|--|----------------------------------|---|
| 2 | 86th General Assembly | A Bill | | |
| 3 | Regular Session, 2007 | | HOUSE BILL 137 | 9 |
| 4 | | | | |
| 5 | By: Representatives Petrus, Sul | livan, Thyer, Stewart, Shelby, Abernathy, | Adcock, Allen, Anderson, T. | |
| 6 | Baker, Berry, Blount, Bond, T. I | Bradford, Breedlove, E. Brown, J. Brown, | Burris, Cash, Cheatham, | |
| 7 | Chesterfield, Cook, Cooper, Cor | nwell, L. Cowling, D. Creekmore, Daven | port, Davis, Dickinson, S. | |
| 8 | Dobbins, Dunn, Edwards, L. Eva | ans, D. Evans, Everett, Garner, Gaskill, G | eorge, Glidewell, R. Green, | |
| 9 | Hall, Hardwick, Hardy, Harrelson | on, Harris, Hawkins, House, Hoyt, D. Hute | chinson, Hyde, Jeffrey, J. | |
| 10 | Johnson, Kenney, Key, Kidd, Ki | ing, Lamoureux, W. Lewellen, Lovell, Lo | wery, Maloch, M. Martin, | |
| 11 | Maxwell, Medley, Moore, Norto | on, Overbey, Pace, Pate, Patterson, Pennar | rtz, Pickett, Pierce, Powers, S. | |
| 12 | Prater, Pyle, Ragland, Rainey, R | eep, Reynolds, J. Roebuck, Rogers, Roser | nbaum, Sample, Saunders, | |
| 13 | Sumpter, Wagner, Walters, Web | b, Wells, Wills, Wood, Woods, Wyatt, L. | Smith | |
| 14 | By: Senators R. Thompson, Bro | padway, G. Jeffress, J. Jeffress, Steele | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | For An Act To Be Entitled | | |
| 18 | AN ACT TO | CREATE THE ARKANSAS ALTERNATIV | /E FUELS | |
| 19 | DEVELOPME | NT PROGRAM; TO CREATE THE ARKAN | ISAS | |
| 20 | ALTERNATI | VE FUELS DEVELOPMENT FUND; TO R | REPEAL | |
| 21 | OBSOLETE S | SECTIONS OF THE ARKANSAS CODE R | RELATED TO | |
| 22 | ALTERNATI | VE FUELS INCLUDING THE ALTERNAT | TIVE FUELS | |
| 23 | COMMISSION | N, THE ALTERNATIVE FUELS FUND, | THE | |
| 24 | ARKANSAS I | WEATHERIZATION ASSISTANCE FUND, | , AND | |
| 25 | SECTIONS 1 | RELATED TO WEATHERIZATION; AND | FOR OTHER | |
| 26 | PURPOSES. | | | |
| 27 | | | | |
| 28 | | Subtitle | | |
| 29 | TO CREA | ATE THE ARKANSAS ALTERNATIVE FU | JELS | |
| 30 | DEVELO | PMENT PROGRAM AND THE ARKANSAS | | |
| 31 | ALTERNA | ATIVE FUELS DEVELOPMENT FUND AN | ND | |
| 32 | TO REP | EAL OBSOLETE SECTIONS OF THE | | |
| 33 | ARKANSA | AS CODE RELATED TO ALTERNATIVE | | |
| 34 | FUELS A | AND WEATHERIZATION. | | |
| 35 | | | | |
| 36 | | | | |

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| 1 | |
|----|---|
| 2 | BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: |
| 3 | |
| 4 | SECTION 1. Arkansas Code Title 15 is amended to add an additional |
| 5 | chapter to read as follows: |
| 6 | 15-13-101. Title. |
| 7 | This chapter shall be known and may be cited as the "Arkansas |
| 8 | Alternative Fuels Development Act". |
| 9 | |
| 10 | 15-13-102. Definitions. |
| 11 | As used in this chapter: |
| 12 | (1) "Alternative fuels" means biofuel or ethanol; |
| 13 | (2) "Alternative fuels producer" means a business located in |
| 14 | Arkansas that uses biomass to manufacture alternative fuels; |
| 15 | (3) "Alternative fuels distributor" means a business located in |
| 16 | the State of Arkansas that distributes alternative fuels or alternative fuels |
| 17 | <pre>mixture;</pre> |
| 18 | (4)(A) "Biofuel" means a renewable, biodegradable, combustible |
| 19 | liquid fuel derived from biomass that can be used as transportation fuel, |
| 20 | combustion fuel, or refinery feedstock and that meets the American Society |
| 21 | for Testing and Materials Specification and federal quality requirements as |
| 22 | in effect on February 1, 2007, for each category or grade of fuel. |
| 23 | (B) "Biofuel" includes without limitation: |
| 24 | (i) Biodiesel or renewable diesel; |
| 25 | (ii) Renewable gasoline; |
| 26 | <u>(iii) Renewable jet fuel;</u> |
| 27 | <u>(iv) Renewable naptha;</u> |
| 28 | <u>(v) Biocrude; and</u> |
| 29 | (vi) Other renewable, biodegradable, mono alkyl |
| 30 | ester combustible fuel derived from biomass. |
| 31 | (5) "Alternative fuels mixture" means a mixture of alternative |
| 32 | <u>fuels that is:</u> |
| 33 | (A) An undyed, clear distillate special fuel that is |
| 34 | suitable for use in motor vehicles on Arkansas highways; |
| 35 | (B) A dyed fuel for off-road use; |
| 36 | (C) Sold by the supplier producing alternative fuels |

| 1 | mixture to any person for use as a fuel; or |
|----|--|
| 2 | (D) Used as a fuel by the supplier producing the |
| 3 | alternative fuels mixture; |
| 4 | (6)(A) "Biomass" means any matter derived from plants or animals |
| 5 | that is used for the production of alternative fuels. |
| 6 | (B) "Biomass" includes residues or byproducts from: |
| 7 | (i) Agricultural production; |
| 8 | (ii) Agricultural processing; |
| 9 | (iii) Forest or wood resources; |
| 10 | (iv) Forestry or wood production; or |
| 11 | (v) Forestry or wood processing. |
| 12 | (C) "Biomass" includes plant material from crops that are |
| 13 | produced for use in the production of alternative fuels and cellulosic |
| 14 | biomass. |
| 15 | (D) "Biomass" does not include recycled petroleum oil; |
| 16 | (7) "Ethanol" means ethyl alcohol derived from biomass that: |
| 17 | (A) Meets the American Society for Testing and Materials |
| 18 | Specification D4806-04a for ethanol as in effect on January 1, 2007; and |
| 19 | (B) Is denatured as specified in 27 C.F.R. Part 20 and |
| 20 | Part 21 as in effect on January 1, 2007; and |
| 21 | (8) "Feedstock processor" means a business located in Arkansas |
| 22 | that processes biomass to create feedstock to be used in the production of |
| 23 | alternative fuels. |
| 24 | 15-13-103. Arkansas Alternative Fuels Development Program. |
| 25 | (a) The Arkansas Alternative Fuels Development Program is established |
| 26 | and shall be developed and administered by the Arkansas Agriculture |
| 27 | Department. |
| 28 | (b) The Arkansas Alternative Fuels Development Program shall include |
| 29 | three (3) types of grant incentives: |
| 30 | (1) Production incentives for alternative fuels producers; |
| 31 | (2) Production incentives for feedstock processors; and |
| 32 | (3) Distribution incentives for alternative fuels distributors. |
| 33 | (c) The grant incentives under this subchapter are only available for |
| 34 | investments made after January 1, 2007. |
| 35 | |
| 36 | 15-13-104 Production incentives for alternative fuels producers |

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| 1 | (a) The Arkansas Alternative Fuels Development Program shall include a |
|----|--|
| 2 | grant incentive program that provides grants to alternative fuels producers |
| 3 | based on the gallonage production of alternative fuels to assist in the |
| 4 | construction, modification, alteration, or retrofitting of alternative fuels |
| 5 | production facilities that are located and operated in Arkansas. |
| 6 | (b) The Arkansas Agriculture Department shall create a grant |
| 7 | application process for alternative fuels producers that shall include: |
| 8 | (1) An application for a grant under this subchapter that shall |
| 9 | include at a minimum: |
| 10 | (A) The expected gallonage production of alternative fuels |
| 11 | at the facility; |
| 12 | (B) A narrative description of the intended use of the |
| 13 | grant moneys; and |
| 14 | (C) Evidence sufficient to satisfy the department that the |
| 15 | applicant has the capacity to complete the proposed project; |
| 16 | (2) Instructions about the grant process; |
| 17 | (3) Scoring procedures to determine the award of the grants; and |
| 18 | (4) Other factors that the Secretary of the Arkansas Agriculture |
| 19 | Department deems necessary. |
| 20 | (c)(1) The department shall prepare an annual progress report on grant |
| 21 | assistance made under this section. |
| 22 | (2) The report shall include: |
| 23 | (A) The amount of each grant; |
| 24 | (B) The purpose of each grant; |
| 25 | (C) How grant funds were expended by the grant recipient; |
| 26 | (D) The results produced or the progress made; |
| 27 | (E) The revenues produced; |
| 28 | (F) Tonnages of feedstock materials used; and |
| 29 | (G) The gallonage of alternative fuels produced. |
| 30 | (3) The report for each state fiscal year shall be filed by June |
| 31 | 30 of the following fiscal year with the Office of the Governor and the |
| 32 | Legislative Council. |
| 33 | (d)(1) The Secretary of the Arkansas Agriculture Department shall make |
| 34 | cash payments to an alternative fuels producer that qualifies as a grant |
| 35 | recipient under this section in an amount not to exceed twenty cents (20¢) |
| 36 | per gallon of alternative fuels produced. |

| 1 | (2) The payment to an alternative fuels producer under this |
|----|---|
| 2 | section shall be for the annual production of alternative fuels. |
| 3 | (e)(1) The Arkansas Agriculture Department shall not award a grant in |
| 4 | an amount that exceeds two million dollars (\$2,000,000) to any one (1) |
| 5 | alternative fuels producer in any one (1) fiscal year. |
| 6 | (2) An entity that holds a controlling interest in more than one |
| 7 | (1) alternative fuels production facility is considered one (1) alternative |
| 8 | fuels producer under this section. |
| 9 | (f) Nothing in this section shall limit a grant recipient under this |
| 10 | section from applying for or receiving a production incentive for feedstock |
| 11 | processors under § 15-13-105. |
| 12 | |
| 13 | 15-13-105. Production incentives for feedstock processors. |
| 14 | (a) The Arkansas Alternative Fuels Development Program shall include a |
| 15 | grant incentive program that provides grants to feedstock processors to |
| 16 | assist in the construction, modification, alteration, or retrofitting of |
| 17 | feedstock processing facilities that are located and operated in Arkansas. |
| 18 | (b) The Arkansas Agriculture Department shall create a grant |
| 19 | application process for feedstock processors that shall include: |
| 20 | (1) An application for a grant under this subchapter that shall |
| 21 | include at a minimum: |
| 22 | (A) A narrative description of the intended use of the |
| 23 | grant moneys; and |
| 24 | (B) Evidence sufficient to satisfy the department that the |
| 25 | applicant has the capacity to complete the proposed project; |
| 26 | (2) Instructions about the grant process; |
| 27 | (3) Scoring procedures to determine the award of the grants; and |
| 28 | (4) Other factors that the Secretary of the Arkansas Agriculture |
| 29 | Department deems necessary. |
| 30 | (c)(1) The department shall prepare an annual progress report on grant |
| 31 | assistance made under this section. |
| 32 | (2) The report shall include: |
| 33 | (A) The amount of each grant; |
| 34 | (B) The purpose of each grant; |
| 35 | (C) How grant funds were expended by the grant recipient; |
| 36 | and |

| 1 | (D) The origin and tonnage of the feedstock that was |
|----|---|
| 2 | processed. |
| 3 | (3) The report for each state fiscal year shall be filed by June |
| 4 | 30 of the following fiscal year with the Office of the Governor and the |
| 5 | Legislative Council. |
| 6 | (d)(l) The Arkansas Agriculture Department shall not award a grant in |
| 7 | an amount that exceeds two million dollars (\$2,000,000) to any one (1) |
| 8 | feedstock processor in any one (1) fiscal year. |
| 9 | (2) An entity that holds a controlling interest in more than one |
| 10 | (1) feedstock processing plant is considered one (1) feedstock processor |
| 11 | under this section. |
| 12 | (e) Nothing in this section shall limit a grant recipient under this |
| 13 | section from applying for or receiving a production incentive for alternative |
| 14 | fuels producers under § 15-13-104. |
| 15 | |
| 16 | 15-13-106. Distribution incentives for alternative fuels distributors. |
| 17 | (a) The Arkansas Alternative Fuels Development Program shall include a |
| 18 | grant incentive program that provides grants to alternative fuels |
| 19 | distributors to assist the alternative fuels distributors with the storage |
| 20 | and distribution of the alternative fuels or alternative fuels mixture at |
| 21 | distribution facilities that are located and operated in Arkansas. |
| 22 | (b) The Arkansas Agriculture Department shall create a grant |
| 23 | application process for alternative fuels distributors that shall include: |
| 24 | (1) An application for a grant under this subchapter that shall |
| 25 | include at a minimum: |
| 26 | (A) A narrative description of the intended use of the |
| 27 | grant moneys; and |
| 28 | (B) Evidence sufficient to satisfy the department that the |
| 29 | provision of a grant to the alternative fuels distributor will improve the |
| 30 | statewide supply and distribution of alternative fuels and alternative fuels |
| 31 | mixtures that are produced in Arkansas; |
| 32 | (2) Instructions about the grant process; |
| 33 | (3) Scoring procedures to determine the award of the grants; and |
| 34 | (4) Other factors that the Secretary of the Arkansas Agriculture |
| 35 | Department deems necessary. |
| 36 | (c)(l) The department shall prepare an annual progress report on grant |

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| 1 | assistance made under this section. |
|----|---|
| 2 | (2) The report shall include: |
| 3 | (A) The amount of each grant; |
| 4 | (B) The purpose of each grant; |
| 5 | (C) How grant funds were expended by the grant recipient; |
| 6 | (D) The results produced or the progress made in the |
| 7 | overall distribution of alternative fuels or alternative fuels mixtures |
| 8 | statewide; |
| 9 | (E) The revenues produced; and |
| 10 | (F) Tonnages of materials stored and distributed. |
| 11 | (3) The report for each state fiscal year shall be filed by June |
| 12 | 30 of the following fiscal year with the Office of the Governor and the |
| 13 | Legislative Council. |
| 14 | (d) The Arkansas Agriculture Department shall not award a grant in an |
| 15 | amount that exceeds fifty thousand dollars (\$50,000) to any one (1) |
| 16 | alternative fuels distributor at each alternative fuels distributor site in |
| 17 | any one (1) fiscal year. |
| 18 | |
| 19 | <u>15-13-107. Rules.</u> |
| 20 | The Arkansas Agriculture Department shall promulgate rules to implement |
| 21 | and administer this subchapter. |
| 22 | |
| 23 | SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12 is amended |
| 24 | to add an additional section to read as follows: |
| 25 | 19-5-1230. Arkansas Alternative Fuels Development Fund. |
| 26 | (a) There is created on the books of the Treasurer of State, Auditor |
| 27 | of State, and Chief Fiscal Officer of the State a special revenue fund to be |
| 28 | known as the "Arkansas Alternative Fuels Development Fund". |
| 29 | (b)(1) All moneys appropriated for the Arkansas Alternative Fuels |
| 30 | Development Fund shall be deposited into the State Treasury to the credit of |
| 31 | the fund as special revenues. |
| 32 | (2) The fund shall also consist of any other revenues as may be |
| 33 | authorized by law. |
| 34 | (c) The fund shall be used by the Arkansas Agriculture Department to |
| 35 | provide grants to support alternative fuels producers, feedstock processors, |
| 36 | and alternative fuels distributors in Arkansas as provided under the Arkansas |

```
1
     Alternative Fuels Development Act, § 15-13-101 et seq., or as otherwise
 2
     provided by law.
 3
 4
           SECTION 3. Arkansas Code Title 15, Chapter 10, Subchapter 6 is
 5
     repealed.
 6
           15-10-601. Alternative Fuels Commission.
 7
           (a) There is created the Alternative Fuels Commission.
 8
           (b)(1) The commission shall be composed of seven (7) members.
 9
                 (2)(A) One (1) member shall be appointed from the state at
10
     large. The member shall be appointed by the Governor.
11
                       (B) Two (2) members shall be representatives of the oil
12
     marketing industry. The members shall be appointed by the Governor.
13
                       (C) Two (2) members shall be representatives of the
14
     electric power industry. One (1) of these members must represent an electric
15
     utility that has elected to participate in the Alternative Fuels Fund and the
16
     Arkansas Weatherization Assistance Fund. The Speaker of the House of
17
     Representatives and the President Pro Tempore of the Senate shall each
18
     appoint one (1) of these members.
19
                       (D) Two (2) members shall be representatives of the
20
     natural gas industry. The Speaker of the House of Representatives and the
21
     President Pro Tempore of the Senate shall each appoint one (1) of these
2.2
     members.
23
           (c)(1) The members of the commission shall serve terms of four (4)
24
     vears.
25
                 (2) However, the initial members shall serve terms to be
26
     determined by lot so that:
27
                       (A) One (1) member serves an initial term of one (1) year;
28
                       (B) Two (2) members serve an initial term of two (2)
29
     years;
30
                       (C) Two (2) members serve an initial term of three (3)
31
     years; and
32
                       (D) Two (2) members serve an initial term of four (4)
33
     years.
34
           (d)(1) If a vacancy occurs on the commission, a successor shall be
35
     appointed within thirty (30) days to serve the remainder of the unexpired
36
     term.
```

| 1 | (2) The appointment shall be made in the same manner as for the |
|----|--|
| 2 | appointment of the predecessor. |
| 3 | (3) The appointment shall be made by the official holding the |
| 4 | office responsible for appointing the predecessor. |
| 5 | (e) To the extent funds are available, members of the commission shall |
| 6 | serve without pay but may receive expense reimbursement in accordance with § |
| 7 | 25-16-902. |
| 8 | (f) Members of the commission shall qualify by taking the oath of |
| 9 | office as prescribed by law. |
| 10 | (g) The commission shall annually elect one (1) of its members as |
| 11 | chair. |
| 12 | (h) Four (4) members of the commission shall be a quorum for the |
| 13 | transaction of any business. |
| 14 | (i) The initial meeting of the commission shall be called by the |
| 15 | members appointed by the Governor from the state at large. |
| 16 | |
| 17 | 15-10-602. Duties of commission. |
| 18 | The Alternative Fuels Commission shall: |
| 19 | (1) Identify and cooperate with existing agencies, |
| 20 | organizations, and individuals to develop, coordinate, and promote the |
| 21 | utilization of alternative fuels throughout the State of Arkansas; |
| 22 | (2) Emphasize the production, development, promotion, and |
| 23 | utilization of alternative motor fuels; |
| 24 | (3) Establish priorities for addressing other alternative energy |
| 25 | sources, taking into consideration the economics, availability, and the |
| 26 | social and environmental benefits to be derived from the development and use |
| 27 | of these alternative fuels; |
| 28 | (4) Cooperate in the implementation of a state energy strategy; |
| 29 | (5) Acquire by purchase, gift, devise, grant, dedication, or |
| 30 | otherwise, any interest in real or personal property; |
| 31 | (6) Cooperate and contract with any governmental entity, any |
| 32 | natural person, or any legal entity; |
| 33 | (7) Accept money, grants, or any other property from any |
| 34 | governmental entity, natural person, or other legal entity; |
| 35 | (8) Make grants and loans; |
| 36 | (9) Hire staff if funds are available for that purpose; and |

| 1 | (10) Promulgate regulations necessary to implement this |
|----|---|
| 2 | subchapter. |
| 3 | |
| 4 | 15-10-603. Grants and loans. |
| 5 | (a)(1) The Alternative Fuels Commission shall establish periodically |
| 6 | the priorities for addressing alternative fuels or energy sources and shall |
| 7 | solicit grant applications for research projects to address those priorities. |
| 8 | (2) The commission shall evaluate grant applications by a set of |
| 9 | criteria which shall include, but not be limited to, the expertise of the |
| 10 | applicant, previous related research by the applicant, relevance to the |
| 11 | commission's priorities, the infrastructure available to support the project, |
| 12 | and the value of the expected results to the Arkansas economy. |
| 13 | (3) At its discretion, the commission may make grants to |
| 14 | applicants in amounts the commission deems appropriate. |
| 15 | (b)(1) The commission shall establish periodically the priorities for |
| 16 | addressing alternative fuels or energy sources and shall solicit loan |
| 17 | applications for demonstration projects to address those priorities. |
| 18 | (2) The commission shall evaluate loan applications by a set of |
| 19 | criteria which shall include, but not be limited to, the expertise of the |
| 20 | applicant, previous related projects of the applicant, relevance to the |
| 21 | commission's priorities, the infrastructure available to support the project, |
| 22 | and the value of the expected results to the Λ rkansas economy. |
| 23 | (3) At its discretion, the commission may make loans to |
| 24 | applicants in amounts and on terms the commission deems appropriate. |
| 25 | (c) As a condition for receiving a grant or loan under this |
| 26 | subchapter, the recipient must agree that any patent produced by research or |
| 27 | projects funded or partially funded by grants or loans under this subchapter |
| 28 | may be used by utilities participating in the Alternative Fuels Fund without |
| 29 | paying any royalty or license fee. |
| 30 | |
| 31 | SECTION 4. Arkansas Code Title 15, Chapter 10, Subchapter 7 is |
| 32 | repealed. |
| 33 | 15-10-701. Alternative Fuels Fund. |
| 34 | (a) There is created on the books of the Treasurer of State, the |
| 35 | Auditor of State, and the Chief Fiscal Officer of the State a special revenue |
| 36 | fund to be known as the "Alternative Fuels Fund". |

| 1 | (b) The fund shall consist of that portion of the fees contributed |
|----|---|
| 2 | under § 15-10-703(a) as prescribed in § 15-10-703(c)(2). |
| 3 | (c) The fund shall be used by the Alternative Fuels Commission for: |
| 4 | (1) Operation of the office of the Alternative Fuels Commission; |
| 5 | (2) Grants for alternative fuels research; and |
| 6 | (3) Grants or loans for alternative fuels projects. |
| 7 | |
| 8 | 15-10-702. Arkansas Weatherization Assistance Fund. |
| 9 | (a) There is created on the books of the Treasurer of State, the |
| 10 | Auditor of State, and the Chief Fiscal Officer of the State a special revenue |
| 11 | fund to be known as the "Arkansas Weatherization Assistance Fund". |
| 12 | (b) The fund shall consist of that portion of the fees contributed |
| 13 | under § 15-10-703(a) as prescribed in § 15-10-703(c)(2). |
| 14 | (c) The fund shall be used by the Department of Human Services to |
| 15 | supplement the federal Weatherization Assistance Program. |
| 16 | (d)(1) The department may establish a weatherization assistance |
| 17 | program and use the fund to carry out the program. |
| 18 | (2) The program may include, but is not limited to: |
| 19 | (A) Establishing criteria under which an applicant may |
| 20 | qualify for weatherization assistance; |
| 21 | (B) Defining the weatherization measures that may be |
| 22 | undertaken under the program; |
| 23 | (C) Contracting for weatherization to be performed upon |
| 24 | qualified dwellings; |
| 25 | (D) Making repairs to dwellings so that the dwellings will |
| 26 | qualify for federal weatherization assistance; and |
| 27 | (E) Providing financial literacy training for recipients |
| 28 | of weatherization assistance. |
| 29 | (3) The household income eligibility criterion for assistance |
| 30 | under the program shall be a household income less than two hundred percent |
| 31 | (200%) of the poverty level applicable to the household as determined by the |
| 32 | department. |
| 33 | (4) The department may establish grant agreements with local |
| 34 | governments and nonprofit corporations that meet qualifications to be |
| 35 | established by the department. |
| 36 | (5) Crant agreements under this section shall be for the |

| 1 | purposes authorized by this subchapter. |
|----|---|
| 2 | |
| 3 | 15-10-703. Contributions by electric or natural gas utility. |
| 4 | (a)(1) An electric or natural gas utility may elect to contribute to |
| 5 | the Alternative Fuels Fund and the Arkansas Weatherization Assistance Fund by |
| 6 | notifying the Director of the Department of Finance and Administration in |
| 7 | writing. |
| 8 | (2) Each contributing electric utility shall be assessed a fee |
| 9 | of one tenth of a cent (0.1) per kilowatt hour sold to each residential |
| 10 | customer in this state, but not to exceed one dollar (\$1.00) per customer in |
| 11 | any month. |
| 12 | (3) Each contributing natural gas utility shall be assessed a |
| 13 | fee of one tenth of a cent (0.1) per hundred cubic fee sold to each |
| 14 | residential customer in this state, but not to exceed one dollar (\$1.00) per |
| 15 | customer in any month. |
| 16 | (4) Λ utility may recover the cost of this fee by assessing a |
| 17 | direct charge on each residential customer bill. |
| 18 | (5) The charge shall not be considered a rate or tariffed |
| 19 | service subject to the jurisdiction of the Arkansas Public Service |
| 20 | Commission. |
| 21 | (6) Proceeds from the fee shall not be considered revenue to the |
| 22 | utility for purposes of setting the utility's regulated rates. |
| 23 | (b) By the twentieth day of each calendar month, the utility shall |
| 24 | remit the amount of the fee recovered during the previous calendar month to |
| 25 | the director. |
| 26 | (c)(1) The director shall deposit thirty percent (30%) of the amount |
| 27 | remitted by each utility to the State Treasury as special revenues credited |
| 28 | to the Alternative Fuels Fund. |
| 29 | (2) The director shall deposit seventy percent (70%) of the |
| 30 | amount remitted by each utility to the State Treasury as special revenues |
| 31 | eredited to the Arkansas Weatherization Assistance Fund. |
| 32 | |
| 33 | 15-10-704. Annual reports. |
| 34 | (a)(1) The Alternative Fuels Commission shall file a report with the |
| 35 | Legislative Council by September 15 of each year. |
| 36 | (2) The report shall inform the Legislative Council as to the |

| 1 | grants made and the results for the period of the previous fiscal year ending |
|----|---|
| 2 | on June 30. |
| 3 | (b)(1) The Department of Human Services shall file a report with the |
| 4 | Legislative Council by September 15 of each year. |
| 5 | (2) The report shall provide an overview of program activity, |
| 6 | including, but not limited to, information on the types of families assisted, |
| 7 | the geographic distribution of assistance, and results of the program. |
| 8 | (3) The report shall address the period of the previous fiscal |
| 9 | year ending on June 30. |
| 10 | |
| 11 | SECTION 5. Arkansas Code § 19-6-301(206), regarding special revenue |
| 12 | from fees remitted by electric or natural gas utilities under $\S 15-10-703$, is |
| 13 | repealed. |
| 14 | (206) Thirty percent (30%) of the fees remitted by each electric |
| 15 | or natural gas utility for services sold to residential customers, § 15-10- |
| 16 | 703; |
| 17 | |
| 18 | SECTION 6. Arkansas Code § 19-6-301(207), regarding special revenue |
| 19 | from fees remitted by electric or natural gas utilities under § 5-10-703, is |
| 20 | repealed. |
| 21 | (207) Seventy percent (70%) of the fees remitted by each |
| 22 | electric or natural gas utility for services sold to residential customers, § |
| 23 | 15-10-703; |
| 24 | |
| 25 | SECTION 7. Arkansas Code § 19-6-494 is repealed. |
| 26 | 19-6-494. Alternative Fuels Fund. |
| 27 | The Alternative Fuels Fund shall consist of those special revenues as |
| 28 | specified in § 19-6-301(206), there to be used by the Alternative Fuels |
| 29 | Commission for the operation of the commission's office, grants for |
| 30 | alternative fuels research, and grants or loans for alternative fuels |
| 31 | projects, as set out in § 15-10-701. |
| 32 | |
| 33 | /s/ Petrus, et al |
| 34 | |
| 35 | |
| 36 | |