

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

SENATE BILL 125

5 By: Senators B. Pierce, Burnett
6

For An Act To Be Entitled

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

15 TO PROVIDE INCENTIVES FOR CONVERTING
16 DIESEL-POWERED MOTOR VEHICLES AND
17 GASOLINE-POWERED MOTOR VEHICLES TO MOTOR
18 VEHICLES POWERED BY COMPRESSED NATURAL
19 GAS OR PROPANE GAS; AND TO DECLARE AN
20 EMERGENCY.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 15-13-102(5), concerning the definitions to
27 be used under the Arkansas Alternative Fuels Development Act, is amended to
28 read as follows:

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

31 (A) Compressed natural gas; and ~~gasoline~~

32 (B) Gasoline or diesel;
33

34 SECTION 2. Arkansas Code § 15-13-102(8) and (9), concerning the
35 definitions to be used under the Arkansas Alternative Fuels Development Act,
36 are amended to read as follows:



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

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

9
10 SECTION 3. Arkansas Code § 15-13-102, concerning the definitions to be
11 used under the Arkansas Alternative Fuels Development Act, is amended to add
12 four additional subdivisions to read as follows:

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

- 15 (A) Propane gas; and
- 16 (B) Gasoline or diesel;

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

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

- 20 (A) A dedicated compressed natural gas motor vehicle or a
21 dedicated propane gas motor vehicle;
- 22 (B) A comparably equipped motor vehicle powered by
23 gasoline or diesel; and

24 (18) "Incremental costs" means the difference in the costs
25 between:

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

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

33
34 SECTION 4. Arkansas Code § 15-13-301 is amended to read as follows:
35 15-13-301. Arkansas Alternative Fuels Development Program.

36 (a) The Arkansas Alternative Fuels Development Program is established

1 and shall be developed and administered by the Arkansas Agriculture
2 Department.

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

4 (1) Capital and operation production incentives for alternative
5 fuels producers;

6 (2) Production incentives for feedstock processors;

7 (3) Distribution incentives for alternative fuels distributors;

8 and

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

10 (A) Differential costs; and

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

13 (i) Dedicated compressed natural gas ~~school buses~~
14 motor vehicle;

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

16 (iii) Dedicated propane gas motor vehicle; or

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

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

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

22 (2) The production of alternative fuels;

23 (3) The processing of feedstock; or

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

26 (A) Dedicated compressed natural gas ~~school buses~~ motor
27 vehicle;

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

29 (C) Dedicated propane gas motor vehicle; or

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

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

33 15-13-306. Rebate incentives for modification of ~~school buses~~ motor
34 vehicles.

35 (a) The Arkansas Alternative Fuels Development Program shall include
36 an incentive program that provides a rebate to ~~Arkansas school districts to a~~

1 public entity, a company, an organization, or an affiliate of a public
 2 entity, a company, or an organization:

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

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

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

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

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

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

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

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

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

- 1 (2) Instructions about the rebate process;
- 2 (3) Scoring procedures to determine the award of the rebates;
- 3 and

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

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

8 (2) The report shall include:

9 (A) The amount of each rebate;

10 (B) The purpose of the rebate;

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

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

22 (3) The report for each state fiscal year shall be filed by June
 23 30 of the following fiscal year with the office of the Governor and the
 24 Legislative Council.

25 (e) An independent third-party evaluator selected by the department
 26 shall:

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

32 (A) Environmental impact;

33 (B) Operational costs; and

34 (C) Maintenance costs;

35 (2) Prepare an annual report of the results from the study; and

36 (3) File the annual report by June 30 of the following fiscal

1 year with the office of the Governor and the Legislative Council.

2 (f) The rebate to be awarded by the department is seventy-five
 3 percent (75%) of the cost for the differential costs, conversion kit, and
 4 incremental costs of converting a diesel-powered motor vehicle or gasoline-
 5 powered motor vehicle to a dedicated ~~or~~ compressed natural gas motor vehicle,
 6 bi-fuel compressed natural gas school-bus motor vehicle, dedicated propane
 7 gas motor vehicle, or bi-fuel propane gas motor vehicle.

8 ~~No school district may~~ A public entity, a company, an
 9 organization, or an affiliate of a public entity, a company, or an
 10 organization shall not receive more than fifty thousand dollars (\$50,000) per
 11 fiscal year for ~~school-bus~~ conversion kit costs, differential costs, and
 12 incremental costs.

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 14 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
 15 General Assembly of the State of Arkansas that diesel-powered and gasoline-
 16 powered motor vehicles are contributing to air pollution in this state; that
 17 motor vehicles powered by compressed natural gas or propane gas are
 18 environmentally cleaner and are a great alternative to diesel-powered and
 19 gasoline-powered motor vehicles; that the costs of diesel and gasoline are
 20 much greater than the costs of compressed natural gas and propane gas; that
 21 Arkansans need the cost savings and the environmental enhancement of driving
 22 a motor vehicle powered by compressed natural gas or propane gas; and that
 23 this act is necessary because providing incentives would encourage Arkansans
 24 to convert their motor vehicles to motor vehicles that are powered by
 25 compressed natural gas or propane gas, which would help both the environment
 26 and the economy in Arkansas. Therefore, an emergency is declared to exist,
 27 and this act being necessary for the preservation of the public peace,
 28 health, and safety shall become effective on July 1, 2013.