

1 92ND GENERAL ASSEMBLY
 2 FIRST CONFERENCE COMMITTEE REPORT
 3 ON HOUSE BILL 2

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6 To the President of the Senate and the Speaker of the
 7 House of Representatives:

8 We, the conference committee appointed to consider the
 9 differences between the houses in relation to Senate
 10 Amendment No. 1 to House Bill 2, recommend the following:

- 11 (1) That the Senate recede from Senate Amendment No. 1;
- 12 and
- 13 (2) That House Bill 2 be amended as follows:

14 by replacing everything after the enacting clause with the
 15 following:

16 "Section 5. The Alternate Fuels Act is amended by
 17 changing Sections 10, 25, 30, 35, 40, and 45 and adding
 18 Sections 21, 31, and 32 as follows:

- 19 (415 ILCS 120/10)
- 20 Sec. 10. Definitions. As used in this Act:
- 21 "Agency" means the Environmental Protection Agency.
- 22 "Alternate fuel" means liquid petroleum gas, natural gas,
- 23 E85 blend fuel, fuel composed of a minimum 80% ethanol,
- 24 bio-based methanol, fuels that are at least 70% derived from
- 25 biomass, or electricity.
- 26 "Alternate fuel vehicle" means any vehicle that is
- 27 operated in Illinois and is capable of using an alternate
- 28 fuel.
- 29 "Conventional", when used to modify the word "vehicle",
- 30 "engine", or "fuel", means gasoline or diesel or any
- 31 reformulations of those fuels.
- 32 "Covered Area" means the counties of Cook, DuPage, Kane,

1 Lake, McHenry, and Will and those portions of Grundy County
 2 and Kendall County that are included in the following ZIP
 3 code areas, as designated by the U.S. Postal Service on the
 4 effective date of this amendatory Act of 1998: 60416, 60444,
 5 60447, 60450, 60481, 60538, and 60543.

6 "Director" means the Director of the Environmental
 7 Protection Agency.

8 "Domestic renewable fuel" means a fuel, produced in the
 9 United States, composed of a minimum 80% ethanol, bio-based
 10 methanol, and fuels derived from bio-mass.

11 "E85 blend fuel" means fuel that contains 85% ethanol and
 12 15% gasoline.

13 "GVWR" means Gross Vehicle Weight Rating.

14 "Location" means (i) a parcel of real property or (ii)
 15 multiple, contiguous parcels of real property that are
 16 separated by private roadways, public roadways, or private or
 17 public rights-of-way and are owned, operated, leased, or
 18 under common control of one party.

19 "Original equipment manufacturer" or "OEM" means a
 20 manufacturer of alternate fuel vehicles or a manufacturer or
 21 remanufacturer of alternate fuel engines used in vehicles
 22 greater than 8500 pounds GVWR.

23 "Rental vehicle" means any motor vehicle that is owned or
 24 controlled primarily for the purpose of short-term leasing or
 25 rental pursuant to a contract.

26 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
 27 91-357, eff. 7-29-99.)

28 (415 ILCS 120/21 new)

29 Sec. 21. Alternate Fuel Infrastructure Advisory Board.
 30 The Governor shall appoint an Alternate Fuel Infrastructure
 31 Advisory Board. The Advisory Board shall be chaired by the
 32 Director of the Department of Commerce and Community Affairs,
 33 who may be represented at all meetings by a designee. Other
 34 members appointed by the Governor shall consist of one

1 representative from the ethanol industry, one representative
 2 from the natural gas industry, one representative from the
 3 auto manufacturing industry, one representative from the
 4 liquid petroleum gas industry, one representative from the
 5 Agency, one representative from the heavy duty engine
 6 manufacturing industry, one representative from Illinois
 7 private fleet operators, and one representative of local
 8 government from the Chicago nonattainment area.

9 The Advisory Board shall (1) prepare and recommend to the
 10 Department of Commerce and Community Affairs a program
 11 implementing Section 31 of this Act; (2) determine criteria
 12 and procedures to be followed in awarding grants and review
 13 applications for grants under the Alternate Fuel
 14 Infrastructure Program; and (3) make recommendations to the
 15 Department of Commerce and Community Affairs as to the award
 16 of grants under the Alternate Fuel Infrastructure Program.

17 Members of the Advisory Board shall not be reimbursed
 18 their costs and expenses of participation. All decisions of
 19 the Advisory Board shall be decided on a one vote per member
 20 basis with a majority of the Advisory Board membership to
 21 rule.

22 (415 ILCS 120/25)

23 Sec. 25. Ethanol fuel research program. The Department
 24 of Commerce and Community Affairs shall administer a research
 25 program to reduce the costs of producing ethanol fuels and
 26 increase the viability of ethanol fuels, new ethanol engine
 27 technologies, and ethanol refueling infrastructure. This
 28 research shall be funded from the Alternate Fuels Fund. The
 29 research program shall remain in effect until December 31,
 30 2004 ~~2002~~, or until funds are no longer available.

31 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
 32 91-357, eff. 7-29-99.)

33 (415 ILCS 120/30)

1 Sec. 30. Rebate program. Beginning January 1, 1997,
2 each owner of an alternate fuel vehicle shall be eligible to
3 apply for a rebate. The Agency shall cause rebates to be
4 issued under the provisions of this Act. The Alternate Fuels
5 Advisory Board shall develop and recommend to the Agency
6 rules that provide incentives or other measures to ensure
7 that small fleet operators and owners participate in, and
8 benefit from, the rebate program. Such rules shall define
9 and identify small fleet operators and owners in the covered
10 area and make provisions for the establishment of criteria to
11 ensure that funds from the Alternate Fuels Fund specified in
12 this Act are made readily available to these entities. The
13 Advisory Board shall, in the development of its rebate
14 application review criteria, make provisions for preference
15 to be given to applications proposing a partnership between
16 the fleet operator or owner and a fueling service station to
17 make alternate fuels available to the public. An owner may
18 apply for only one of 3 types of rebates with regard to an
19 individual alternate fuel vehicle: (i) a conversion cost
20 rebate, (ii) an OEM differential cost rebate, or (iii) a
21 fuel cost differential rebate. Only one rebate may be issued
22 with regard to a particular alternate fuel vehicle during the
23 life of that vehicle. A rebate shall not exceed \$4,000 per
24 vehicle. Over the life of this rebate program, an owner of
25 an alternate fuel vehicle may not receive rebates for more
26 than 150 vehicles per location or for 300 vehicles in total.

27 (a) A conversion cost rebate may be issued to an owner
28 or his or her designee in order to reduce the cost of
29 converting of a conventional vehicle to an alternate fuel
30 vehicle. Conversion of a conventional vehicle to alternate
31 fuel capability must take place in Illinois for the owner to
32 be eligible for the conversion cost rebate. Amounts spent by
33 applicants within a calendar year may be claimed on a rebate
34 application submitted during that calendar year. Approved
35 conversion cost rebates applied for during calendar years

1 1997, 1998, 1999, 2000, 2001, and 2002, 2003, and 2004 shall
2 be 80% of all approved conversion costs claimed and
3 documented. Approval of conversion cost rebates may continue
4 after calendar year 2004, if funds are still available. An
5 applicant may include on an application submitted in 1997 all
6 amounts spent within that calendar year on the conversion,
7 even if the expenditure occurred before promulgation of the
8 Agency rules.

9 (b) An OEM differential cost rebate may be issued to an
10 owner or his or her designee in order to reduce the cost
11 differential between a conventional vehicle or engine and the
12 same vehicle or engine, produced by an original equipment
13 manufacturer, that has the capability to use alternate fuels.

14 A new OEM vehicle or engine must be purchased in Illinois
15 and must either be an alternate fuel vehicle or used in an
16 alternate fuel vehicle, respectively, for the owner to be
17 eligible for an OEM differential cost rebate. Amounts spent
18 by applicants within a calendar year may be claimed on a
19 rebate application submitted during that calendar year.

20 Approved OEM differential cost rebates applied for during
21 calendar years 1997, 1998, 1999, 2000, 2001, and 2002, 2003,
22 and 2004 shall be 80% of all approved cost differential
23 claimed and documented. Approval of OEM differential cost
24 rebates may continue after calendar year 2004, if funds are
25 still available. An applicant may include on an application
26 submitted in 1997 all amounts spent within that calendar
27 year on OEM equipment, even if the expenditure occurred
28 before promulgation of the Agency rules.

29 (c) A fuel cost differential rebate may be issued to an
30 owner or his or her designee in order to reduce the cost
31 differential between conventional fuels and domestic
32 renewable fuels purchased to operate an alternate fuel
33 vehicle that runs on domestic renewable fuel. The fuel cost
34 differential shall be based on a 3-year life cycle cost
35 analysis developed by the Agency by rulemaking. The rebate

1 shall apply to and be payable during a consecutive 3-year
2 period commencing on the date the application is approved by
3 the Agency. Approved fuel cost differential rebates may be
4 applied for during calendar years 1997, 1998, 1999, 2000, and
5 2001, and 2002 and approved rebates shall be 80% of the cost
6 differential for a consecutive 3-year period. Approval of
7 fuel cost differential rebates may continue after calendar
8 year 2002 if funds are still available. Twenty-five percent
9 of the amount appropriated under Section 40 to be used to
10 fund the programs authorized by this Section during calendar
11 year 1998 shall be designated to fund fuel cost differential
12 rebates. If the total dollar amount of approved fuel cost
13 differential rebate applications as of October 1, 1998 is
14 less than the amount designated for that calendar year, the
15 balance of designated funds shall be immediately available to
16 fund any rebate authorized by this Section and approved in
17 the calendar year. An applicant may include on an
18 application submitted in 1997 all amounts spent within that
19 calendar year on fuel cost differential, even if the
20 expenditure occurred before the promulgation of the Agency
21 rules.

22 Twenty-five percent of the amount appropriated under
23 Section 40 to be used to fund the programs authorized by this
24 Section during calendar year 1999 shall be designated to fund
25 fuel cost differential rebates. If the total dollar amount
26 of approved fuel cost differential rebate applications as of
27 July 1, 1999 is less than the amount designated for that
28 calendar year, the balance of designated funds shall be
29 immediately available to fund any rebate authorized by this
30 Section and approved in the calendar year.

31 Twenty-five percent of the amount appropriated under
32 Section 40 to be used to fund programs authorized by this
33 Section during calendar year 2000 shall be designated to fund
34 fuel cost differential rebates. If the total dollar amount
35 of approved fuel cost differential rebate applications as of

1 July 1, 2000 is less than the amount designated for that
 2 calendar year, the balance of designated funds shall be
 3 immediately available to fund any rebate authorized by this
 4 Section and approved in the calendar year.

5 Twenty-five percent of the amount that is appropriated
 6 under Section 40 to be used to fund programs authorized by
 7 this Section during calendar year 2001 shall be designated to
 8 fund fuel cost differential rebates. If the total dollar
 9 amount of approved fuel cost differential rebate applications
 10 as of July 1, 2001 is less than the amount designated for
 11 that calendar year, the balance of designated funds shall be
 12 immediately available to fund any rebate authorized by this
 13 Section and approved in the calendar year.

14 An approved fuel cost differential rebate shall be paid
 15 to an owner in 3 annual installments on or about the
 16 anniversary date of the approval of the application. Owners
 17 receiving a fuel cost differential rebate shall be required
 18 to demonstrate, through recordkeeping, the use of domestic
 19 renewable fuels during the 3-year period commencing on the
 20 date the application is approved by the Agency. If the
 21 alternate fuel vehicle ceases to be registered to the
 22 original applicant owner, a prorated installment shall be
 23 paid to that owner or the owner's designee and the remainder
 24 of the rebate shall be canceled.

25 (d) Vehicles owned by the federal government or vehicles
 26 registered in a state outside Illinois are not eligible for
 27 rebates.

28 (Source: P.A. 89-410; 90-726, eff. 8-7-98.)

29 (415 ILCS 120/31 new)

30 Sec. 31. Alternate Fuel Infrastructure Program. The
 31 Department of Commerce and Community Affairs shall establish
 32 a grant program to provide funding for the building of E85
 33 blend, propane, and compressed natural gas (CNG) fueling
 34 facilities, including private on-site fueling facilities, to

1 be built within the covered area or in Illinois metropolitan
2 areas over 100,000 in population. The Department of Commerce
3 and Community Affairs shall be responsible for reviewing the
4 proposals and awarding the grants. Under the grant program,
5 applicants may apply for up to 80% of the total cost of the
6 project. At least 20% of the total cost of the project must
7 be provided by the applicant in cash or material.

8 (415 ILCS 120/32 new)

9 Sec. 32. Clean Fuel Education Program. The Department
10 of Commerce and Community Affairs, in cooperation with the
11 Agency and Chicago Area Clean Cities, shall administer the
12 Clean Fuel Education Program, the purpose of which is to
13 educate fleet administrators and Illinois' citizens about the
14 benefits of using alternate fuels. The program shall include
15 a media campaign.

16 (415 ILCS 120/35)

17 Sec. 35. User fees.

18 (a) During fiscal years 1999, 2000, and 2001, ~~and-2002~~
19 the Office of the Secretary of State shall collect annual
20 user fees from any individual, partnership, association,
21 corporation, or agency of the United States government that
22 registers any combination of 10 or more of the following
23 types of motor vehicles in the Covered Area: (1) Vehicles
24 of the First Division, as defined in the Illinois Vehicle
25 Code; (2) Vehicles of the Second Division registered under
26 the B, D, F, H, MD, MF, MG, MH and MJ plate categories, as
27 defined in the Illinois Vehicle Code; and (3) Commuter vans
28 and livery vehicles as defined in the Illinois Vehicle Code.
29 This Section does not apply to vehicles registered under the
30 International Registration Plan under Section 3-402.1 of the
31 Illinois Vehicle Code. The user fee shall be \$20 for each
32 vehicle registered in the Covered Area for each fiscal year.
33 The Office of the Secretary of State shall collect the \$20

1 when a vehicle's registration fee is paid.

2 (b) Owners of State, county, and local government
3 vehicles, rental vehicles, antique vehicles, electric
4 vehicles, and motorcycles are exempt from paying the user
5 fees on such vehicles.

6 (c) The Office of the Secretary of State shall deposit
7 the user fees collected into the Alternate Fuels Fund.

8 (Source: P.A. 89-410; 90-726, eff. 8-7-98.)

9 (415 ILCS 120/40)

10 Sec. 40. Appropriations from the Alternate Fuels Fund.

11 (a) User Fees Funds. The Agency shall estimate the
12 amount of user fees expected to be collected under Section 35
13 of this Act for fiscal years 1999, 2000, and 2001. User fee
14 funds shall be deposited into and distributed from the
15 Alternate Fuels Fund in the following manner:

16 (1) In each of fiscal years 1999, 2000, and 2001,
17 an amount not to exceed \$200,000 may be appropriated to
18 the Agency from the Alternate Fuels Fund to pay its costs
19 of administering the programs authorized by Section 30 of
20 this Act. Up to \$200,000 may be appropriated to the
21 Office of the Secretary of State in each of fiscal years
22 1999, 2000, and 2001 from the Alternate Fuels Fund to pay
23 the Secretary of State's costs of administering the
24 programs authorized under this Act.

25 (2) In fiscal years 1999, 2000, and 2001, after
26 appropriation of the amounts authorized by item (1) of
27 subsection (a) of this Section, the remaining moneys
28 estimated to be collected during each fiscal year shall
29 be appropriated as follows: 80% of the remaining moneys
30 shall be appropriated to fund the programs authorized by
31 Section 30, and 20% shall be appropriated to fund the
32 programs authorized by Section 25.

33 (3) Additional appropriations to the Agency from
34 the Alternate Fuels Fund to pay its costs of

1 administering the programs authorized by Section 30 of
2 this Act may be made in fiscal years following 2001, not
3 to exceed the amount of \$200,000 in any fiscal year, if
4 funds are still available and program costs are still
5 being incurred.

6 (4) Moneys appropriated to fund the programs
7 authorized in Sections 25 and 30 shall be expended only
8 after they have been collected and deposited into the
9 Alternate Fuels Fund.

10 (b) General Revenue Fund Appropriations. General Revenue
11 Fund amounts appropriated to and deposited into the Alternate
12 Fuels Fund shall be distributed from the Alternate Fuels Fund
13 in the following manner:

14 (1) In each of fiscal years 2002, 2003, and 2004,
15 an amount not to exceed \$50,000 may be appropriated to
16 the Department of Commerce and Community Affairs from the
17 Alternate Fuels Fund to pay its costs of administering
18 the programs authorized by Sections 31 and 32.

19 (2) In each of fiscal years 2002, 2003, and 2004,
20 an amount not to exceed \$50,000 may be appropriated to
21 the Department of Commerce and Community Affairs to fund
22 the programs authorized by Section 32.

23 (3) In each of fiscal years 2002, 2003, and 2004,
24 after appropriation of the amounts authorized in items
25 (1) and (2) of subsection (b) of this Section, the
26 remaining moneys received from the General Revenue Fund
27 shall be appropriated as follows: 52.632% of the
28 remaining moneys shall be appropriated to fund the
29 programs authorized by Sections 25 and 30 and 47.368% of
30 the remaining moneys shall be appropriated to fund the
31 programs authorized by Section 31. The moneys
32 appropriated to fund the programs authorized by Sections
33 25 and 30 shall be used as follows: 20% shall be used to
34 fund the programs authorized by Sections 25, and 80%
35 shall be used to fund the programs authorized by Section

1 30.

2 Moneys appropriated to fund the programs authorized in
3 Section 31 shall be expended only after they have been
4 deposited into the Alternate Fuels Fund.

5 (c) Other Funds. Other funds deposited into the
6 Alternate Fuels Fund, including but not limited to State
7 appropriations, contributions, grants, gifts, bequests,
8 legacies of money and securities, or transfers as provided by
9 law from, without limitation, governmental entities, private
10 sources, foundations, trade associations, industry
11 organizations, and not-for-profit organizations, shall be
12 distributed from the Alternate Fuels Fund in the following
13 manner: In each of fiscal years 2002, 2003, and 2004, 50% of
14 such funds shall be appropriated to fund the programs
15 authorized by Section 31, 10% of such funds shall be
16 appropriated to fund the programs authorized by Section 25,
17 and 40% of such funds shall be appropriated to fund the
18 programs authorized by Section 30.

19 (d) Blank. The--Agency--shall--estimate--the--amount--of
20 user--fees--expected--to--be--collected--for--fiscal--years--1999,
21 2000,--2001,--and--2002.---Moneys--shall--be--deposited--into--and
22 distributed--from--the--Alternate--Fuels--Fund--in--the--following
23 manner:

24 {1}--In--each--of--fiscal--years--1999,--2000,--2001,--2002--an
25 amount--not--to--exceed--\$200,000--may--be--appropriated--to--the
26 Agency--from--the--Alternate--Fuels--Fund--to--pay--its--costs--of
27 administering--the--programs--authorized--by--this--Act.---Up--to
28 \$200,000--may--be--appropriated--to--the--Office--of--the--Secretary
29 of--State--in--each--of--fiscal--years--1999,--2000,--2001,--and--2002
30 from--the--Alternate--Fuels--Fund--to--pay--the--Secretary--of--State's
31 costs--of--administering--the--programs--authorized--under--this
32 Act.

33 {2}--In--fiscal--year--1999,--after--appropriation--of--the
34 amounts--authorized--by--paragraph--{1},--the--remaining--moneys
35 estimated--to--be--collected--during--fiscal--year--1999--shall--be

1 appropriated--as--follows:--80%-of-each-such-remaining-moneys
2 shall-be-appropriated-to--fund--the--programs--authorized--in
3 Section-30-and-20%-shall-be-appropriated-to-fund-the-programs
4 authorized-in-Section-25.

5 (3)--In---fiscal---years--2000₇--2001₇--and--2002₇--after
6 appropriation-of-the-amounts-authorized-by-paragraph-(1)₇,the
7 remaining-estimated--amount--of--user--fees--expected--to--be
8 collected--shall--be--appropriated--as--follows:--80%-of-such
9 estimated-moneys-shall-be-appropriated-to-fund--the--programs
10 authorized--in--Section--30--and-20%-shall-be-appropriated-to
11 fund-the-programs-authorized-in-Section-25.

12 (4)--Moneys-appropriated-to-fund-the-programs--authorized
13 in--Sections-25-and-30-shall-be-expended-only-after-they-have
14 been-collected-and-deposited-into-the-Alternate-Fuels-Fund.
15 (Source: P.A. 89-410; 90-726, eff. 8-7-98.)

16 (415 ILCS 120/45)

17 Sec. 45. Alternate Fuels Fund; creation; deposit of user
18 fees. A separate fund in the State Treasury called the
19 Alternate Fuels Fund is created, into which shall be
20 transferred the user fees as provided in Section 35 and any
21 other revenues, deposits, State appropriations,
22 contributions, grants, gifts, bequests, legacies of money and
23 securities, or transfers as provided by law from, without
24 limitation, governmental entities, private sources,
25 foundations, trade associations, industry organizations, and
26 not-for-profit organizations.

27 (Source: P.A. 89-410.)

28 Section 99. Effective date. This Act takes effect upon
29 becoming law."

30 Submitted on May 31, 2002.

31 s/Sen. William Mahar

s/Rep. Phil Novak

32 Sen. Steve Rauschenberger

s/Rep. Barbara Flynn Currie

1 Sen. Doris Karpiel

s/Rep. Kurt Granberg

2 s/Sen. William Shaw

s/Rep. Art Tenhouse

3 s/Sen. Pat Welch

Rep. Brent Hassert

4 Committee for the Senate

Committee for the House