

1 AN ACT in relation to alternate fuels.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

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

7 (415 ILCS 120/10)

8 Sec. 10. Definitions. As used in this Act:

9 "Agency" means the Environmental Protection Agency.

10 "Alternate fuel" means liquid petroleum gas, natural gas,
11 E85 blend fuel, fuel composed of a minimum 80% ethanol,
12 bio-based methanol, fuels that are at least 70% derived from
13 biomass, or electricity.

14 "Alternate fuel vehicle" means any vehicle that is
15 operated in Illinois and is capable of using an alternate
16 fuel.

17 "Conventional", when used to modify the word "vehicle",
18 "engine", or "fuel", means gasoline or diesel or any
19 reformulations of those fuels.

20 "Covered Area" means the counties of Cook, DuPage, Kane,
21 Lake, McHenry, and Will and those portions of Grundy County
22 and Kendall County that are included in the following ZIP
23 code areas, as designated by the U.S. Postal Service on the
24 effective date of this amendatory Act of 1998: 60416, 60444,
25 60447, 60450, 60481, 60538, and 60543.

26 "Director" means the Director of the Environmental
27 Protection Agency.

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

31 "E85 blend fuel" means fuel that contains 85% ethanol and

1 15% gasoline.

2 "GVWR" means Gross Vehicle Weight Rating.

3 "Location" means (i) a parcel of real property or (ii)
4 multiple, contiguous parcels of real property that are
5 separated by private roadways, public roadways, or private or
6 public rights-of-way and are owned, operated, leased, or
7 under common control of one party.

8 "Original equipment manufacturer" or "OEM" means a
9 manufacturer of alternate fuel vehicles or a manufacturer or
10 remanufacturer of alternate fuel engines used in vehicles
11 greater than 8500 pounds GVWR.

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

15 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
16 91-357, eff. 7-29-99.)

17 (415 ILCS 120/21 new)

18 Sec. 21. Alternate Fuel Infrastructure Advisory Board.
19 The Governor shall appoint an Alternate Fuel Infrastructure
20 Advisory Board. The Advisory Board shall be chaired by the
21 Director of the Department of Commerce and Community Affairs,
22 who may be represented at all meetings by a designee. Other
23 members appointed by the Governor shall consist of one
24 representative from the ethanol industry, one representative
25 from the natural gas industry, one representative from the
26 auto manufacturing industry, one representative from the
27 liquid petroleum gas industry, one representative from the
28 Agency, one representative from the heavy duty engine
29 manufacturing industry, one representative from Illinois
30 private fleet operators, and one representative of local
31 government from the Chicago nonattainment area.

32 The Advisory Board shall (1) prepare and recommend to the
33 Department of Commerce and Community Affairs a program

1 implementing Section 31 of this Act; (2) determine criteria
2 and procedures to be followed in awarding grants and review
3 applications for grants under the Alternate Fuel
4 Infrastructure Program; and (3) make recommendations to the
5 Department of Commerce and Community Affairs as to the award
6 of grants under the Alternate Fuel Infrastructure Program.

7 Members of the Advisory Board shall not be reimbursed
8 their costs and expenses of participation. All decisions of
9 the Advisory Board shall be decided on a one vote per member
10 basis with a majority of the Advisory Board membership to
11 rule.

12 (415 ILCS 120/25)

13 Sec. 25. Ethanol fuel research program. The Department
14 of Commerce and Community Affairs shall administer a research
15 program to reduce the costs of producing ethanol fuels and
16 increase the viability of ethanol fuels, new ethanol engine
17 technologies, and ethanol refueling infrastructure. This
18 research shall be funded from the Alternate Fuels Fund. The
19 research program shall remain in effect until December 31,
20 2004 2002, or until funds are no longer available.

21 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;
22 91-357, eff. 7-29-99.)

23 (415 ILCS 120/30)

24 Sec. 30. Rebate program. Beginning January 1, 1997,
25 each owner of an alternate fuel vehicle shall be eligible to
26 apply for a rebate. The Agency shall cause rebates to be
27 issued under the provisions of this Act. The Alternate Fuels
28 Advisory Board shall develop and recommend to the Agency
29 rules that provide incentives or other measures to ensure
30 that small fleet operators and owners participate in, and
31 benefit from, the rebate program. Such rules shall define
32 and identify small fleet operators and owners in the covered

1 area and make provisions for the establishment of criteria to
2 ensure that funds from the Alternate Fuels Fund specified in
3 this Act are made readily available to these entities. The
4 Advisory Board shall, in the development of its rebate
5 application review criteria, make provisions for preference
6 to be given to applications proposing a partnership between
7 the fleet operator or owner and a fueling service station to
8 make alternate fuels available to the public. An owner may
9 apply for only one of 3 types of rebates with regard to an
10 individual alternate fuel vehicle: (i) a conversion cost
11 rebate, (ii) an OEM differential cost rebate, or (iii) a
12 fuel cost differential rebate. Only one rebate may be issued
13 with regard to a particular alternate fuel vehicle during the
14 life of that vehicle. A rebate shall not exceed \$4,000 per
15 vehicle. Over the life of this rebate program, an owner of
16 an alternate fuel vehicle may not receive rebates for more
17 than 150 vehicles per location or for 300 vehicles in total.

18 (a) A conversion cost rebate may be issued to an owner
19 or his or her designee in order to reduce the cost of
20 converting of a conventional vehicle to an alternate fuel
21 vehicle. Conversion of a conventional vehicle to alternate
22 fuel capability must take place in Illinois for the owner to
23 be eligible for the conversion cost rebate. Amounts spent by
24 applicants within a calendar year may be claimed on a rebate
25 application submitted during that calendar year. Approved
26 conversion cost rebates applied for during calendar years
27 1997, 1998, 1999, 2000, 2001, and 2002, 2003, and 2004 shall
28 be 80% of all approved conversion costs claimed and
29 documented. Approval of conversion cost rebates may continue
30 after calendar year 2004, if funds are still available. An
31 applicant may include on an application submitted in 1997 all
32 amounts spent within that calendar year on the conversion,
33 even if the expenditure occurred before promulgation of the
34 Agency rules.

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

6 A new OEM vehicle or engine must be purchased in Illinois
7 and must either be an alternate fuel vehicle or used in an
8 alternate fuel vehicle, respectively, for the owner to be
9 eligible for an OEM differential cost rebate. Amounts spent
10 by applicants within a calendar year may be claimed on a
11 rebate application submitted during that calendar year.

12 Approved OEM differential cost rebates applied for during
13 calendar years 1997, 1998, 1999, 2000, 2001, and 2002, 2003,
14 and 2004 shall be 80% of all approved cost differential
15 claimed and documented. Approval of OEM differential cost
16 rebates may continue after calendar year 2004, if funds are
17 still available. An applicant may include on an application
18 submitted in 1997 all amounts spent within that calendar
19 year on OEM equipment, even if the expenditure occurred
20 before promulgation of the Agency rules.

21 (c) A fuel cost differential rebate may be issued to an
22 owner or his or her designee in order to reduce the cost
23 differential between conventional fuels and domestic
24 renewable fuels purchased to operate an alternate fuel
25 vehicle that runs on domestic renewable fuel. The fuel cost
26 differential shall be based on a 3-year life cycle cost
27 analysis developed by the Agency by rulemaking. The rebate
28 shall apply to and be payable during a consecutive 3-year
29 period commencing on the date the application is approved by
30 the Agency. Approved fuel cost differential rebates may be
31 applied for during calendar years 1997, 1998, 1999, 2000, and
32 2001, and 2002 and approved rebates shall be 80% of the cost
33 differential for a consecutive 3-year period. Approval of
34 fuel cost differential rebates may continue after calendar

1 year 2002 if funds are still available. Twenty-five percent
2 of the amount appropriated under Section 40 to be used to
3 fund the programs authorized by this Section during calendar
4 year 1998 shall be designated to fund fuel cost differential
5 rebates. If the total dollar amount of approved fuel cost
6 differential rebate applications as of October 1, 1998 is
7 less than the amount designated for that calendar year, the
8 balance of designated funds shall be immediately available to
9 fund any rebate authorized by this Section and approved in
10 the calendar year. An applicant may include on an
11 application submitted in 1997 all amounts spent within that
12 calendar year on fuel cost differential, even if the
13 expenditure occurred before the promulgation of the Agency
14 rules.

15 Twenty-five percent of the amount appropriated under
16 Section 40 to be used to fund the programs authorized by this
17 Section during calendar year 1999 shall be designated to fund
18 fuel cost differential rebates. If the total dollar amount
19 of approved fuel cost differential rebate applications as of
20 July 1, 1999 is less than the amount designated for that
21 calendar year, the balance of designated funds shall be
22 immediately available to fund any rebate authorized by this
23 Section and approved in the calendar year.

24 Twenty-five percent of the amount appropriated under
25 Section 40 to be used to fund programs authorized by this
26 Section during calendar year 2000 shall be designated to fund
27 fuel cost differential rebates. If the total dollar amount
28 of approved fuel cost differential rebate applications as of
29 July 1, 2000 is less than the amount designated for that
30 calendar year, the balance of designated funds shall be
31 immediately available to fund any rebate authorized by this
32 Section and approved in the calendar year.

33 Twenty-five percent of the amount that is appropriated
34 under Section 40 to be used to fund programs authorized by

1 this Section during calendar year 2001 shall be designated to
2 fund fuel cost differential rebates. If the total dollar
3 amount of approved fuel cost differential rebate applications
4 as of July 1, 2001 is less than the amount designated for
5 that calendar year, the balance of designated funds shall be
6 immediately available to fund any rebate authorized by this
7 Section and approved in the calendar year.

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

19 (d) Vehicles owned by the federal government or vehicles
20 registered in a state outside Illinois are not eligible for
21 rebates.

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

23 (415 ILCS 120/31 new)

24 Sec. 31. Alternate Fuel Infrastructure Program. The
25 Department of Commerce and Community Affairs shall establish
26 a grant program to provide funding for the building of E85
27 blend, propane, and compressed natural gas (CNG) fueling
28 facilities, including private on-site fueling facilities, to
29 be built within the covered area or in Illinois metropolitan
30 areas over 100,000 in population. The Department of Commerce
31 and Community Affairs shall be responsible for reviewing the
32 proposals and awarding the grants. Under the grant program,
33 applicants may apply for up to 80% of the total cost of the

1 project. At least 20% of the total cost of the project must
2 be provided by the applicant in cash or material.

3 (415 ILCS 120/32 new)

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

11 (415 ILCS 120/35)

12 Sec. 35. User fees.

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

30 (b) Owners of State, county, and local government
31 vehicles, rental vehicles, antique vehicles, electric
32 vehicles, and motorcycles are exempt from paying the user

1 fees on such vehicles.

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

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

5 (415 ILCS 120/40)

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

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

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

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

29 (3) Additional appropriations to the Agency from
30 the Alternate Fuels Fund to pay its costs of
31 administering the programs authorized by Section 30 of
32 this Act may be made in fiscal years following 2001, not
33 to exceed the amount of \$200,000 in any fiscal year, if

1 funds are still available and program costs are still
2 being incurred.

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

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

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

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

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

33 Moneys appropriated to fund the programs authorized in
34 Section 31 shall be expended only after they have been

1 deposited into the Alternate Fuels Fund.

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

16 (d) Blank. The Agency shall estimate the amount of
17 user fees expected to be collected for fiscal years 1999,
18 2000, 2001, and 2002. Moneys shall be deposited into and
19 distributed from the Alternate Fuels Fund in the following
20 manner:

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

30 (2) In fiscal year 1999, after appropriation of the
31 amounts authorized by paragraph (1), the remaining moneys
32 estimated to be collected during fiscal year 1999 shall be
33 appropriated as follows: 80% of each such remaining moneys
34 shall be appropriated to fund the programs authorized in

1 Section-30-and-20%-shall-be-appropriated-to-fund-the-programs
2 authorized-in-Section-25-

3 (3)--In--fiscal--years--2000,--2001,--and---2002,---after
4 appropriation-of-the-amounts-authorized-by-paragraph-(1),-the
5 remaining--estimated--amount--of--user--fees--expected--to-be
6 collected-shall-be-appropriated--as--follows:---80%--of--such
7 estimated--moneys--shall-be-appropriated-to-fund-the-programs
8 authorized-in-Section-30-and-20%--shall--be--appropriated--to
9 fund-the-programs-authorized-in-Section-25-

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

14 (415 ILCS 120/45)

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

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

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.