

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, excluding on-board electric  
14 generation.

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

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

21 "Covered Area" means the counties of Cook, DuPage, Kane,  
22 Lake, McHenry, and Will and those portions of Grundy County  
23 and Kendall County that are included in the following ZIP  
24 code areas, as designated by the U.S. Postal Service on the  
25 effective date of this amendatory Act of 1998: 60416, 60444,  
26 60447, 60450, 60481, 60538, and 60543.

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

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

1 "E85 blend fuel" means fuel that contains 85% ethanol and  
2 15% gasoline.

3 "GVWR" means Gross Vehicle Weight Rating.

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

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

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

16 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;  
17 91-357, eff. 7-29-99.)

18 (415 ILCS 120/21 new)

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

33 The Advisory Board shall (1) prepare and recommend to the

1 Department of Commerce and Community Affairs a program  
2 implementing Section 31 of this Act and (2) recommend  
3 criteria and procedures to be followed in awarding grants.

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

9 (415 ILCS 120/25)

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

19 (Source: P.A. 90-726, eff. 8-7-98; 90-797, eff. 12-15-98;  
20 91-357, eff. 7-29-99.)

21 (415 ILCS 120/30)

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

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

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

34 (b) An OEM differential cost rebate may be issued to an

1 owner or his or her designee in order to reduce the cost  
2 differential between a conventional vehicle or engine and the  
3 same vehicle or engine, produced by an original equipment  
4 manufacturer, that has the capability to use alternate fuels.

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

11 Approved OEM differential cost rebates applied for during  
12 or after calendar year years 1997~~7~~-1998~~7~~--1999~~7~~--2000~~7~~--2001~~7~~  
13 and--2002 shall be 80% of all approved cost differential  
14 claimed and documented. Approval of OEM differential cost  
15 rebates may continue after calendar year 2002, if funds are  
16 still available. An applicant may include on an application  
17 submitted in 1997 all amounts spent within that calendar  
18 year on OEM equipment, even if the expenditure occurred  
19 before promulgation of the Agency rules.

20 (c) A fuel cost differential rebate may be issued to an  
21 owner or his or her designee in order to reduce the cost  
22 differential between conventional fuels and domestic  
23 renewable fuels purchased to operate an alternate fuel  
24 vehicle that runs on domestic renewable fuel. The fuel cost  
25 differential shall be based on a 3-year life cycle cost  
26 analysis developed by the Agency by rulemaking. The rebate  
27 shall apply to and be payable during a consecutive 3-year  
28 period commencing on the date the application is approved by  
29 the Agency. Approved fuel cost differential rebates may be  
30 applied for during or after calendar year years 1997~~7~~--1998~~7~~  
31 1999~~7~~-2000~~7~~--and-2001 and approved rebates shall be 80% of the  
32 cost differential for a consecutive 3-year period. Approval  
33 of fuel cost differential rebates may continue after calendar  
34 year 2002 if funds are still available. Twenty-five--percent

1 of--the--amount--appropriated--under--Section--40--to--be--used--to  
 2 fund--the--programs--authorized--by--this--Section--during--calendar  
 3 year--1998--shall--be--designated--to--fund--fuel--cost--differential  
 4 rebates.--If--the--total--dollar--amount--of--approved--fuel--cost  
 5 differential--rebate--applications--as--of--October--17--1998--is  
 6 less--than--the--amount--designated--for--that--calendar--year7--the  
 7 balance--of--designated--funds--shall--be--immediately--available--to  
 8 fund--any--rebate--authorized--by--this--Section--and--approved--in  
 9 the--calendar--year.---An--applicant--may---include---on---an  
 10 application--submitted--in--1997--all--amounts--spent--within--that  
 11 calendar--year--on--fuel--cost--differential7--even--if---the  
 12 expenditure--occurred--before--the--promulgation--of--the--Agency  
 13 rules.

14 Twenty-five-percent--of--the--amount--appropriated--under  
 15 Section--40--to--be--used--to--fund--the--programs--authorized--by--this  
 16 Section--during--calendar--year--1999--shall--be--designated--to--fund  
 17 fuel--cost--differential--rebates.--If--the--total--dollar--amount  
 18 of--approved--fuel--cost--differential--rebate--applications--as--of  
 19 July--17--1999--is--less--than--the--amount--designated--for--that  
 20 calendar--year7--the--balance--of--designated--funds--shall--be  
 21 immediately--available--to--fund--any--rebate--authorized--by--this  
 22 Section--and--approved--in--the--calendar--year.

23 Twenty-five-percent--of--the--amount--appropriated--under  
 24 Section--40--to--be--used--to--fund--programs--authorized--by--this  
 25 Section--during--calendar--year--2000--shall--be--designated--to--fund  
 26 fuel--cost--differential--rebates.--If--the--total--dollar--amount  
 27 of--approved--fuel--cost--differential--rebate--applications--as--of  
 28 July--17--2000--is--less--than--the--amount--designated--for--that  
 29 calendar--year7--the--balance--of--designated--funds--shall--be  
 30 immediately--available--to--fund--any--rebate--authorized--by--this  
 31 Section--and--approved--in--the--calendar--year.

32 Twenty-five percent of the amount that is appropriated  
 33 under Section 40 to be used to fund programs authorized by  
 34 this Section during calendar year 2001 shall be designated to

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

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

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

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

22 (415 ILCS 120/31 new)

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

1 (415 ILCS 120/32 new)

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

10 (415 ILCS 120/35)

11 Sec. 35. User fees.

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

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

33 (c) The Office of the Secretary of State shall deposit



1 the user fees collected into the Alternate Fuels Fund.

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

3 (415 ILCS 120/40)

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

5 (a) User Fees Funds. The Agency shall estimate the  
6 amount of user fees expected to be collected under Section 35  
7 of this Act for fiscal years 1999, 2000, 2001, and 2002.  
8 User fee funds shall be deposited into and distributed from  
9 the Alternate Fuels Fund in the following manner:

10 (1) In each of fiscal years 1999, 2000, 2001, and  
11 2002, an amount not to exceed \$200,000 may be  
12 appropriated to the Agency from the Alternate Fuels Fund  
13 to pay its costs of administering the programs authorized  
14 by Section 30 of this Act. Up to \$200,000 may be  
15 appropriated to the Office of the Secretary of State in  
16 each of fiscal years 1999, 2000, 2001, and 2002 from the  
17 Alternate Fuels Fund to pay the Secretary of State's  
18 costs of administering the programs authorized under this  
19 Act.

20 (2) In fiscal years 1999, 2000, 2001, and 2002,  
21 after appropriation of the amounts authorized by item (1)  
22 of subsection (a) of this Section, the remaining moneys  
23 estimated to be collected during each fiscal year shall  
24 be appropriated as follows: 80% of the remaining moneys  
25 shall be appropriated to fund the programs authorized by  
26 Section 30, and 20% shall be appropriated to fund the  
27 programs authorized by Section 25.

28 (3) Additional appropriations to the Agency from  
29 the Alternate Fuels Fund to pay its costs of  
30 administering the programs authorized by Section 30 of  
31 this Act may be made in fiscal years following 2002, not  
32 to exceed the amount of \$200,000 in any fiscal year, if  
33 funds are still available and program costs are still

1 being incurred.

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

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

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

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

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

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

1           The--Agency--shall--estimate--the--amount--of--user--fees  
 2           expected--to--be--collected--for--fiscal--years--1999<sub>7</sub>--2000<sub>7</sub>--2001<sub>7</sub>  
 3           and--2002<sub>7</sub>--Moneys--shall--be--deposited--into--and--distributed  
 4           from--the--Alternate--Fuels--Fund--in--the--following--manner:

5           (1)--In--each--of--fiscal--years--1999<sub>7</sub>--2000<sub>7</sub>--2001<sub>7</sub>--2002--an  
 6           amount--not--to--exceed--\$200,000--may--be--appropriated--to--the  
 7           Agency--from--the--Alternate--Fuels--Fund--to--pay--its--costs--of  
 8           administering--the--programs--authorized--by--this--Act.--Up--to  
 9           \$200,000--may--be--appropriated--to--the--Office--of--the--Secretary  
 10           of--State--in--each--of--fiscal--years--1999<sub>7</sub>--2000<sub>7</sub>--2001<sub>7</sub>--and--2002  
 11           from--the--Alternate--Fuels--Fund--to--pay--the--Secretary--of--State's  
 12           costs--of--administering--the--programs--authorized--under--this  
 13           Act.

14           (2)--In--fiscal--year--1999<sub>7</sub>--after--appropriation--of--the  
 15           amounts--authorized--by--paragraph--(1)<sub>7</sub>--the--remaining--moneys  
 16           estimated--to--be--collected--during--fiscal--year--1999--shall--be  
 17           appropriated--as--follows:--80%--of--each--such--remaining--moneys  
 18           shall--be--appropriated--to--fund--the--programs--authorized--in  
 19           Section--30--and--20%--shall--be--appropriated--to--fund--the--programs  
 20           authorized--in--Section--25.

21           (3)--In--fiscal--years--2000<sub>7</sub>--2001<sub>7</sub>--and--2002<sub>7</sub>--after  
 22           appropriation--of--the--amounts--authorized--by--paragraph--(1)<sub>7</sub>--the  
 23           remaining--estimated--amount--of--user--fees--expected--to--be  
 24           collected--shall--be--appropriated--as--follows:--80%--of--such  
 25           estimated--moneys--shall--be--appropriated--to--fund--the--programs  
 26           authorized--in--Section--30--and--20%--shall--be--appropriated--to  
 27           fund--the--programs--authorized--in--Section--25.

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

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

32           (415 ILCS 120/45)

33           Sec. 45. Alternate Fuels Fund; creation; deposit of user

1 fees. A separate fund in the State Treasury called the  
2 Alternate Fuels Fund is created, into which shall be  
3 transferred the user fees as provided in Section 35 and any  
4 other revenues, deposits, State appropriations,  
5 contributions, grants, gifts, bequests, legacies of money and  
6 securities, or transfers as provided by law from, without  
7 limitation, governmental entities, private sources,  
8 foundations, trade associations, industry organizations, and  
9 not-for-profit organizations.

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

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law.