

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

As Engrossed: S3/13/13

A Bill

SENATE BILL 792

5 By: Senators Teague, *Rapert*
6 By: Representative Jean
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS CLEAN-BURNING MOTOR
10 FUEL DEVELOPMENT ACT; TO CREATE THE CLEAN-BURNING
11 MOTOR FUEL DEVELOPMENT FUND; AND FOR OTHER PURPOSES.
12
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Subtitle

15 TO CREATE THE ARKANSAS CLEAN-BURNING
16 MOTOR FUEL DEVELOPMENT ACT; AND TO CREATE
17 THE CLEAN-BURNING MOTOR FUEL DEVELOPMENT
18 FUND.
19
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code Title 15, Chapter 10, is amended to add an
24 additional subchapter to read as follows:

25 Subchapter 9 – Arkansas Clean-burning Motor Fuel Development Act
26

27 15-10-901. Title.

28 This subchapter shall be known and may be cited as the “Arkansas Clean-
29 burning Motor Fuel Development Act”.
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31 15-10-902. Definitions.

32 As used in this subchapter:

33 (1) “Compressed natural gas” means compressed natural gas that
34 is to be delivered to a motor vehicle at a pressure of at least three
35 thousand pounds per square inch (3,000 psi);

36 (2) “Compressed natural gas refueling station” means property



1 that:

2 (A) Is directly related to the delivery of compressed
3 natural gas into the fuel tank of a licensed motor vehicle, including without
4 limitation the compression equipment, storage vessels, quality control
5 equipment, and dispensers for compressed natural gas;

6 (B) Is available to the public twenty-four (24) hours each
7 day;

8 (C) Is metered on a gasoline gallon equivalent basis; and

9 (D) Contains a credit card reader that allows for the use
10 of a credit card to purchase the compressed natural gas;

11 (3) "Diesel gallon equivalent" means six and twenty-two
12 hundredths pounds (6.22 lbs.) of liquefied natural gas;

13 (4) "Gasoline gallon equivalent" means five and sixty-six
14 hundredths pounds (5.66 lbs.) of compressed natural gas or one hundred
15 twenty-six and sixty-seven hundredths cubic feet (126.67 cu. ft.) of natural
16 gas;

17 (5) "Liquefied natural gas" means natural gas that is super-
18 cooled into a liquid fuel that is used primarily in medium-duty and heavy-
19 duty vehicles;

20 (6) "Liquefied natural gas refueling station" means property
21 that:

22 (A) Is directly related to the delivery of liquefied
23 natural gas into the fuel tank of a licensed motor vehicle, including without
24 limitation the compression equipment, refrigeration equipment, storage
25 vessels, and dispensers for liquefied natural gas;

26 (B) Is available to the public twenty-four (24) hours each
27 day;

28 (C) Is metered on a diesel gallon equivalent basis; and

29 (D) Contains a credit card reader that allows for the use
30 of a credit card to purchase the liquefied natural gas;

31 (7)(A) "Liquefied petroleum gas" means gas derived from
32 petroleum or natural gas that is:

33 (i) In a gaseous state at normal atmospheric
34 temperature and pressure but may be maintained in a liquid state at normal
35 atmospheric temperature by the application of sufficient pressure; and

36 (ii) Normally stored as a liquid under pressure.

1 (B) "Liquefied petroleum gas" does not include pentane,
2 gasoline, or oil;

3 (8) "Liquefied petroleum gas refueling station" means property
4 that:

5 (A) Is directly related to the delivery of liquefied
6 petroleum gas into the fuel tank of a licensed motor vehicle, including
7 without limitation the compression equipment, storage vessels, and dispensers
8 for liquefied petroleum gas;

9 (B) Is available to the public twenty-four (24) hours each
10 day;

11 (C) Is metered on a gasoline gallon equivalent basis; and

12 (D) Contains a credit card reader that allows for the use
13 of a credit card to purchase the liquefied petroleum gas;

14 (9) "Motor vehicle" means a motor vehicle originally designed by
15 the manufacturer to operate lawfully and principally on highways, roads, and
16 streets;

17 (10) "Qualified clean-burning motor vehicle fuel" means a
18 hydrogen fuel cell, compressed natural gas, liquefied natural gas, or
19 liquefied petroleum gas; and

20 (11) "Qualified clean-burning motor vehicle property" means:

21 (A) New equipment that:

22 (i) Is installed:

23 (a) By a certified mechanic;

24 (b) On a motor vehicle with a model year of
25 2012 or later; and

26 (c) To convert a motor vehicle propelled by
27 gasoline or diesel fuel to be propelled by a qualified clean-burning motor
28 vehicle fuel;

29 (ii) Is approved by the United States Environmental
30 Protection Agency under 40 C.F.R. Part 85 Subpart F and 40 C.F.R. Part 86
31 Subpart S; and

32 (iii) Has not been used to modify or retrofit any
33 other motor vehicle propelled by gasoline or diesel fuel;

34 (B) The portion of the basis of a motor vehicle with a
35 model year of 2012 or later that was originally equipped to be propelled by a
36 qualified clean-burning motor vehicle fuel that is attributable to the:

1 (i) Storage of the qualified clean-burning motor
2 vehicle fuel;

3 (ii) Delivery of the qualified clean-burning motor
4 vehicle fuel to the motor vehicle's engine; and

5 (iii) Exhaust of gases from the combustion of the
6 qualified clean-burning motor vehicle fuel; or

7 (C) New property that:

8 (i) Is directly related to the compression and
9 delivery of natural gas from a private home or residence for noncommercial
10 purposes into the fuel tank of a motor vehicle propelled by compressed
11 natural gas; and

12 (ii) Has not been previously installed or used at
13 another location to refuel motor vehicles powered by natural gas.

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15 15-10-903. Rebate for refueling stations.

16 (a) The Arkansas Energy Office of the Arkansas Economic Development
17 Commission shall offer a rebate for each approved compressed natural gas
18 refueling station, liquefied natural gas refueling station, and liquefied
19 petroleum gas refueling station in an amount equal to the lesser of seventy-
20 five percent (75%) of the qualifying costs of the refueling station or four
21 hundred thousand dollars (\$400,000).

22 (b) The rebate offered under this section does not apply to the
23 following:

24 (1) The cost of land for the compressed natural gas refueling
25 station, liquefied natural gas refueling station, or liquefied petroleum gas
26 refueling station;

27 (2) The cost of any buildings for the compressed natural gas
28 refueling station, liquefied natural gas refueling station, or liquefied
29 petroleum gas refueling station; and

30 (3) Any costs not directly associated with the compression,
31 storage, or dispensing of compressed natural gas or the storage and
32 dispensing of liquefied natural gas or liquefied petroleum gas.

33 (c) To be eligible for a rebate under this section, a person or entity
34 shall complete and submit an application for the rebate on the forms
35 prescribed by the office.

36 (d) The office shall ensure that the following criteria are met before

1 providing a rebate under this section:

2 (1) The applicant is registered as a business entity with the
3 Secretary of State;

4 (2) The applicant holds a wholesale fuel distribution permit
5 from the Department of Finance and Administration;

6 (3) The dispenser at the compressed natural gas refueling
7 station, liquefied natural gas refueling station, or liquefied petroleum gas
8 refueling station has been inspected and certified by the State Division of
9 Weights and Standards of the Arkansas Bureau of Standards of the State Plant
10 Board or a registered service agency of the division; and

11 (4) The applicant meets the siting requirements stated in NFPA
12 52: Vehicular Gaseous Fuel Systems Code, 2013 Edition.

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14 15-10-904. Rebates for qualified clean-burning motor vehicle fuel
15 property.

16 (a) The Arkansas Energy Office of the Arkansas Economic Development
17 Commission shall offer a rebate for qualified clean-burning motor vehicle
18 fuel property.

19 (b)(1) The rebate for qualified clean-burning motor vehicle fuel
20 property as defined in § 15-10-902(9)(A) and (B) is the lesser of fifty
21 percent (50%) of the cost of the qualified clean-burning motor vehicle fuel
22 property or four thousand five hundred dollars (\$4,500) for each motor
23 vehicle.

24 (2) A qualified clean-burning motor vehicle fuel property is not
25 eligible for a rebate under this subsection if the person or entity applying
26 for the rebate has claimed another rebate or incentive for the same motor
27 vehicle under any other state rebate or incentive program.

28 (c) The rebate for qualified clean-burning motor vehicle fuel
29 property as defined in § 15-10-902(9)(C) is the lesser of fifty percent (50%)
30 of the cost of the qualified clean-burning motor vehicle fuel property or two
31 thousand five hundred dollars (\$2,500) for each qualified clean-burning motor
32 vehicle fuel property.

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34 SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12, is
35 amended to add an additional section to read as follows:

36 19-5-1249. Clean-burning Motor Fuel Development Fund.

1 (a) There is created on the books of the Treasurer of State, the
2 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
3 fund to be known as the "Clean-burning Motor Fuel Development Fund".

4 (b) The fund shall consist of:

5 (1) Grants made by a person, entity, or federal government
6 agency;

7 (2) Other funds that become available through energy programs;

8 (3) Any remaining fund balances carried forward from year to
9 year; and

10 (4) Any other funds authorized or provided by law.

11 (c) The fund shall be used by the Arkansas Energy Office of the
12 Arkansas Economic Development Commission to provide rebates and incentives
13 under the Arkansas Clean-burning Motor Fuel Development Act, § 15-10-901 et
14 seq.

15 (d) Moneys remaining in the fund at the end of each fiscal year shall
16 carry forward and be made available for the purposes stated in this section
17 in the next fiscal year.

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