

State of Arkansas  
89th General Assembly  
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As Engrossed: S3/13/13  
**A Bill**

SENATE BILL 792

By: Senators Teague, Rapert

By: Representative Jean

### For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS CLEAN-BURNING MOTOR FUEL DEVELOPMENT ACT; TO CREATE THE CLEAN-BURNING MOTOR FUEL DEVELOPMENT FUND; AND FOR OTHER PURPOSES.

### Subtitle

TO CREATE THE ARKANSAS CLEAN-BURNING MOTOR FUEL DEVELOPMENT ACT; AND TO CREATE THE CLEAN-BURNING MOTOR FUEL DEVELOPMENT FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

Subchapter 9 – Arkansas Clean-burning Motor Fuel Development Act

15-10-901. Title.

This subchapter shall be known and may be cited as the “Arkansas Clean-burning Motor Fuel Development Act”.

15-10-902. Definitions.

As used in this subchapter:

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

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



that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Normally stored as a liquid under pressure.

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

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

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

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

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

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

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

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

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

(A) New equipment that:

(i) Is installed:

(a) By a certified mechanic;

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

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

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

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

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

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

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

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

(C) New property that:

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

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

15-10-903. Rebate for refueling stations.

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

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

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

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

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

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

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

providing a rebate under this section:

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

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

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

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

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

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

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

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

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

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

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

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

(b) The fund shall consist of:

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

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

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

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

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

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

*/s/Teague*

**APPROVED: 03/28/2013**