

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
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As Engrossed: H3/25/13

A Bill

HOUSE BILL 1834

By: Representative Westerman

For An Act To Be Entitled

AN ACT TO ESTABLISH THE *SCHOOL BUS COMPRESSED NATURAL GAS CONVERSION AND ASSISTANCE LOAN PROGRAM*; AND FOR OTHER PURPOSES.

Subtitle

TO ESTABLISH THE SCHOOL BUS COMPRESSED NATURAL GAS CONVERSION AND ASSISTANCE LOAN PROGRAM.

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

SECTION 1. Arkansas Code Title 6, Chapter 19, is amended to add an additional subchapter to read as follows:

Subchapter 2 - School Bus Compressed Natural Gas Conversion and Assistance Loan Program.

6-19-201. Established - Purpose.

There is established the School Bus Compressed Natural Gas Conversion and Assistance Loan Program under which the Division of Public School Academic Facilities and Transportation shall provide school districts with loans to assist school districts with the:

(1) Conversion of diesel or gasoline school buses to compressed natural gas school buses;

(2) Purchase of a compressed natural gas school buses, limited to the difference between the price of a diesel school bus and a like model compressed natural gas school bus; and



(3) Construction of or development of a site for compressed natural gas refueling stations.

6-19-202. Definitions.

As used in this subchapter:

(1) "Compressed natural gas" means a fossil fuel substitute for gasoline, diesel fuel, propane, or liquid propane gas that is:

(A) Composed primarily of methane; and

(B) Compressed to a volume that is less than one percent (1%) of the volume it occupies at standard atmospheric pressure;

(2) "Compressed natural gas school bus" means a school bus that is fueled by compressed natural gas; and

(3) "Conversion" means the process of converting a diesel or gasoline school bus to a compressed natural gas school bus.

6-19-203. Application for loan.

(a)(1) A school district may apply to participate in the School Bus Compressed Natural Gas Conversion and Assistance Loan Program by submitting an application to the Division of Public School Academic Facilities and Transportation for loans to assist with:

(A) Conversions;

(B) The purchase of compressed natural gas school buses, limited to the difference in price of a diesel school bus and a like model compressed natural gas school bus; and

(C) The construction of or development of a site for compressed natural gas refueling stations.

(2) A school district's application shall be received by the division no later than July 1, 2014, for consideration to participate in the program.

(b) As part of a school district's application for program participation under this subchapter, a school district shall provide evidence of:

(1) The need for the conversion of a school bus, the purchase of a compressed natural gas school bus, or the construction of or development of a site for a compressed natural gas refueling station;

(2) The estimated cost of the conversion, an estimate of the

difference in purchase price between a diesel school bus and a like model compressed natural gas school bus, or the estimated cost of the construction of or development of a site for a compressed natural gas refueling station; and

(3) Any additional information determined by the division to be necessary to evaluate the school district's application.

(c)(1) The division shall evaluate a school district's application and notify the school district of the division's decision on the application, and, if approved, the amount of loan assistance to be provided.

(2) If the division receives more applications for participation than there are funds available, the division shall prioritize program participation based on several factors, including without limitation:

(A) The need for the conversion, the purchase of a compressed natural gas school bus, or the construction of or development of a site for a compressed natural gas refueling station;

(B) The school district's average daily route miles, with school districts having more average daily route miles receiving priority; and

(C) The prudent and resourceful expenditure of state funds with regard to public school buses.

(3) A school district's academic facilities wealth index shall not be a factor under subdivision (c)(2) of this section.

6-19-204. Loan assistance.

(a)(1) If a school district is approved for participation in the School Bus Compressed Natural Gas Conversion and Assistance Loan Program, the Division of Public School Academic Facilities and Transportation shall certify the amount of the loan assistance to the Commission for Arkansas Public School Academic Facilities and Transportation for oversight purposes.

(2) The commission shall certify the amount to the Department of Education for payment.

(b)(1) Loan assistance provided to a school district under this subchapter shall be repaid without interest over a period of twelve (12) years.

(2) If a school district stops participating in the program by repaying the loan before twelve (12) years, the school district shall not

receive loan forgiveness provided under § 6-19-205 for the years the school district does not participate in the program.

(c) For tracking purposes, the school district shall account for the loan assistance funds under provisions of law, including without limitation the Arkansas Educational Financial Accounting and Reporting Act of 2004, § 6-20-2201 et seq., and rules established by the State Board of Education and the commission.

6-19-205. Loan forgiveness.

(a) A school district that participates in the School Bus Compressed Natural Gas Conversion and Assistance Loan Program is eligible for loan forgiveness up to:

(1) Fifty percent (50%) of the total loan assistance provided for a conversion;

(2) Fifty percent (50%) of the total loan assistance provided for a the purchase of a compressed natural gas school bus; and

(3) Seventy-five percent (75%) of the total loan assistance provided for the construction of or development of a site for a compressed natural gas refueling station.

(b) For each year of participation in the program, the Division of Public School Academic Facilities and Transportation shall forgive:

(1) One-twelfth (1/12) of fifty percent (50%) of the total loan assistance provided for conversion or for the purchase of a compressed natural gas school bus; and

(2) One-twelfth (1/12) of seventy-five percent (75%) of the total loan assistance provided for the construction of or development of a site for a compressed natural gas refueling station.

(c) The division shall calculate the amount forgiven each year and provide the school district with the amount due for that year.

6-19-206. Standards for school bus purchases -- Compressed natural gas refueling station limitations.

(a) A school district shall conform the purchase of compressed natural gas school buses under the School Bus Compressed Natural Gas Conversion and Assistance Loan Program to the current academic equipment standards unless in the judgment of the Division of Public School Academic Facilities and

Transportation it is impractical to conform the purchase to current standards.

(b) If a school district constructs or develops a site for a compressed natural gas refueling station under the program, the compressed natural gas refueling station shall be constructed and operated on property owned by the school district.

6-19-207. Rules.

The Division of Public School Academic Facilities and Transportation shall adopt rules to implement and administer this subchapter.

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

19-5-1249. School Bus Compressed Natural Gas Conversion and Assistance Loan Program Fund.

(a) There is created on the books of the Treasurer of the State, the Auditor of the State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "School Bus Compressed Natural Gas Conversion and Assistance Loan Program Fund".

(b) The fund shall consist of:

(1) General revenues as may be authorized by law; and

(2) Other revenues as may be provided by law.

(c) The fund shall be used for distributing loan assistance to school districts for the following purposes:

(1) Conversion of school buses to natural gas;

(2) Purchase of compressed natural gas school buses, limited to the difference between the price of a diesel school bus and a like model compressed natural gas school bus; and

(3) Construction of or development of a site for compressed natural gas refueling stations.

/s/Westerman