

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4

As Engrossed: H3/15/11

# A Bill

HOUSE BILL 1914

5 By: Representatives Tyler, T. Rogers, T. Thompson, Dale, *S. Meeks, Gillam*  
6

## For An Act To Be Entitled

8 AN ACT TO PROVIDE INCENTIVES FOR CONVERTING MOTOR  
9 VEHICLES TO BE POWERED BY COMPRESSED NATURAL GAS; AND  
10 FOR OTHER PURPOSES.  
11

## Subtitle

14 TO PROVIDE INCENTIVES FOR CONVERTING THE  
15 OPERATION OF MOTOR VEHICLES TO OPERATE ON  
16 COMPRESSED NATURAL GAS.  
17

18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 15-13-102, concerning definitions used in  
22 the Arkansas Alternative Fuels Development Act, is amended to add an  
23 additional subdivision to read as follows:

24 (12) "Bi-fuel compressed natural gas motor vehicle" means a  
25 motor vehicle that is powered by compressed natural gas and gasoline or  
26 diesel;

27 (13) "Conversion kit" means a set of supplies, materials, parts,  
28 tools, or equipment used to convert a diesel-powered or gasoline-powered  
29 motor vehicle to a dedicated or bi-fuel compressed natural gas motor vehicle;

30 (14) "Dedicated compressed natural gas motor vehicle"  
31 means a motor vehicle that is powered only by compressed natural  
32 gas; and

33 (15) "Differential costs" means the difference in costs between  
34 a dedicated natural gas vehicle and a comparably equipped motor vehicle  
35 powered by gasoline or diesel.  
36



1 SECTION 2. Arkansas Code § 15-13-301 is amended to read as follows:

2 15-13-301. Arkansas Alternative Fuels Development Program.

3 (a) The Arkansas Alternative Fuels Development Program is established  
4 and shall be developed and administered by the Arkansas Agriculture  
5 Department.

6 (b) The program shall include ~~three (3)~~ four (4) types of ~~grant~~  
7 incentives:

8 (1) Capital and operation production incentives for alternative  
9 fuels producers;

10 (2) Production incentives for feedstock processors; ~~and~~

11 (3) Distribution incentives for alternative fuels distributors;  
12 and

13 (4) Rebate incentives for the:

14 (A) Differential costs of a dedicated motor vehicle; and

15 (B) Costs of converting diesel and gasoline motor vehicles  
16 into dedicated or bi-fuel compressed natural gas motor vehicles.

17 (c) The ~~grant~~ incentives under this subchapter are available only for  
18 the following after ~~January 1, 2007~~ July 1, 2011:

19 (1) Capital investments in alternative fuels production  
20 facilities, feedstock processing facilities, or distribution facilities;

21 (2) The production of alternative fuels; ~~or~~

22 (3) The processing of feedstock; or

23 (4) The conversion of diesel-powered and gasoline-powered motor  
24 vehicles to dedicated or bi-fuel compressed natural gas motor vehicles.

25  
26 SECTION 2. Arkansas Code Title 15, Chapter 13, Subchapter 3 is amended  
27 to add an additional section to read as follows:

28 15-13-306. Rebate incentives for modification by a certified  
29 technician of motor vehicles.

30 (a) The Arkansas Alternative Fuels Development Program shall include  
31 an incentive program that provides a rebate to a single public entity,  
32 company, organization, or its affiliate, to assist in the purchase of a  
33 conversion kit used to convert a diesel motor vehicle or gasoline motor  
34 vehicle to a dedicated or bi-fuel compressed natural gas motor vehicle and  
35 for the differential and incremental costs associated with the conversion of  
36 a diesel motor vehicle or gasoline motor vehicle into a dedicated or bi-fuel

1 compressed natural gas motor vehicle.

2 (b) The Arkansas Agriculture Department shall create a rebate  
3 application process for a single public entity, company, organization, or  
4 its affiliate, to obtain a rebate that shall include:

5 (1) An application for a rebate under this subchapter that shall  
6 include at a minimum:

7 (A) An affidavit or proof that the motor vehicle is  
8 registered in Arkansas or will be registered in Arkansas upon acquisition of  
9 the motor vehicle; and

10 (B) Evidence of:

11 (i) The purchase of a dedicated motor vehicle and  
12 the differential costs; or

13 (ii) The differential costs or incremental costs  
14 associated with the conversion of a diesel motor vehicle or gasoline motor  
15 vehicle into a dedicated or bi-fuel compressed natural gas motor vehicle;

16 (2) Instructions about the rebate process;

17 (3) Scoring procedures to determine the award of the rebates;

18 and

19 (4) Other factors that the Secretary of the Arkansas Agriculture  
20 Department deem necessary.

21 (c)(1) The department shall prepare an annual progress report on  
22 rebates made under this section.

23 (2) The report shall include:

24 (A) The amount of each rebate;

25 (B) The purpose of the rebate;

26 (C) The total amount expended by the rebate recipient in  
27 converting the motor vehicle to a dedicated or bi-fuel compressed natural gas  
28 motor vehicle; and

29 (D) The results produced or the progress made in the  
30 overall conversion of diesel motor vehicles and gasoline motor vehicles to  
31 dedicated or bi-fuel compressed natural gas motor vehicles.

32 (3) The report for each state fiscal year shall be filed by June  
33 30 of the following fiscal year with the office of the Governor and the  
34 Legislative Council.

35 (d) The rebate to be awarded by the department is the lesser of:

36 (1) Fifty percent (50%) of the cost for *the differential costs*,

1 conversion kit, and incremental costs of converting to a dedicated or bi-fuel  
2 compressed natural gas motor vehicle; or:

3 (2) As determined by weight:

4 (A) Five thousand dollars (\$5,000) for a motor vehicle  
5 with a gross vehicle weight rating of not more than eight thousand five  
6 hundred pounds (8,500 lbs.);

7 (B) Eight thousand dollars (\$8,000) for a motor vehicle  
8 with a gross vehicle weight rating of more than eight thousand five hundred  
9 pounds (8,500 lbs.) but not more than fourteen thousand pounds (14,000 lbs.);  
10 or

11 (C) Thirty-two thousand dollars (\$32,000) for a motor  
12 vehicle with a gross vehicle weight rating of more than twenty-six thousand  
13 pounds (26,000 lbs.)

14 (e) No single person, public entity, company, organization, or its  
15 affiliates may receive more than seventy-five thousand dollars (\$75,000) per  
16 fiscal year for motor vehicle conversion kit costs, differential costs, and  
17 incremental costs.

18 (f) An alternative fuel distributor receiving a grant under § 15-13-  
19 304 may also receive a rebate under this section.

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21 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
22 General Assembly of the State of Arkansas that diesel-powered and gasoline-  
23 powered motor vehicles are contributing to air pollution in this state; that  
24 motor vehicles powered by compressed natural gas are more environmentally  
25 clean and a great alternative to diesel-powered and gasoline-powered motor  
26 vehicles; that the cost of diesel and gasoline is much greater than the cost  
27 of compressed natural gas; that Arkansans need the cost savings and the  
28 environmental enhancement of driving a motor vehicle powered by compressed  
29 natural gas; and that providing a rebate would encourage Arkansans to convert  
30 their motor vehicles to dedicated or bi-fuel compressed natural gas motor  
31 vehicles. Therefore, an emergency is declared to exist and this act being  
32 necessary for the preservation of the public peace, health, and safety shall  
33 become effective on July 1, 2011.

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35 /s/Tyler  
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