

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 22

Special Session No. 1 of  
2007-2008

INTRODUCED BY TOMLINSON, M. WHITE, PILEGGI, WASHINGTON,  
RAFFERTY, ERICKSON, GORDNER, STOUT, BOSCOLA AND PIPPY,  
OCTOBER 16, 2007

SENATOR TOMLINSON, APPROPRIATIONS, RE-REPORTED AS AMENDED,  
DECEMBER 10, 2007

## AN ACT

1 Amending the act of November 29, 2004 (P.L.1376, No.178),  
2 entitled "An act relating to alternative fuels; establishing  
3 the Alternative Fuels Incentive Fund; authorizing grants and  
4 rebates to promote the use of alternative fuels; imposing  
5 duties on the Department of Environmental Protection;  
6 providing for an annual report; allocating funds collected  
7 from the utilities gross receipts tax; making an  
8 appropriation; abrogating regulations; and making a repeal,"  
9 further providing FOR DEFINITIONS AND for the Alternative <—  
10 Fuels Incentive Fund; AND PROVIDING FOR BIODIESEL PRODUCTION <—  
11 INCENTIVES.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 ~~Section 1. Section 3(b) and (d) of the act of November 29,~~ <—  
15 ~~2004 (P.L.1376, No.178), known as the Alternative Fuels~~  
16 ~~Incentive Act, are amended to read:~~

17 SECTION 1. SECTION 2 OF THE ACT OF NOVEMBER 29, 2004 <—  
18 (P.L.1376, NO.178), KNOWN AS THE ALTERNATIVE FUELS INCENTIVE  
19 ACT, IS AMENDED BY ADDING DEFINITIONS TO READ:

20 SECTION 2. DEFINITIONS.

21 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL

1 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
2 CONTEXT CLEARLY INDICATES OTHERWISE:

3 "ACCREDITED LABORATORY." A LABORATORY ACCREDITED BY THE  
4 AMERICAN SOCIETY FOR TESTING AND MATERIALS INTERNATIONAL.

5 \* \* \*

6 "QUALIFIED BIODIESEL PRODUCER." A PRODUCER OF BIODIESEL WHO  
7 HAS ITS PRINCIPAL PLACE OF BUSINESS AND FACILITY FOR THE  
8 PRODUCTION OF BIODIESEL FUEL IN THIS COMMONWEALTH AND IS AT  
9 LEAST 51% OWNED OR OPERATED BY PERSONS WITH A PERMANENT  
10 RESIDENCE IN THIS COMMONWEALTH AND WHO HAS COMPLIED WITH THE  
11 REQUIREMENTS OF SECTION 3.1(B).

12 \* \* \*

13 SECTION 2. SECTION 3(B) AND (D) OF THE ACT ARE AMENDED TO  
14 READ:

15 Section 3. Alternative Fuels Incentive Fund.

16 \* \* \*

17 (b) Expenditures.--

18 (1) Moneys from the fund shall be expended by the  
19 department:

20 (i) As grants to school districts, municipal  
21 authorities, political subdivisions, nonprofit entities,  
22 corporations, limited liability companies or partnerships  
23 incorporated or registered in this Commonwealth to  
24 provide funding for:

25 (A) The expenses relative to retrofitting  
26 vehicles to operate on alternative fuels as either a  
27 bi-fuel, dual-fuel, hybrid or dedicated vehicle.

28 (B) The incremental cost of purchase of bi-fuel,  
29 dual-fuel, hybrid or dedicated vehicles.

30 (C) The cost to purchase and install the

1 necessary fleet refueling or home-refueling equipment  
2 for bi-fuel, dual-fuel, hybrid or dedicated vehicles.

3 (D) The cost to perform research, training  
4 development and demonstration of new applications or  
5 next-phase technology related to alternative fuel  
6 vehicles.

7 (ii) As grants to individual residents of this  
8 Commonwealth who purchase an alternative fuel vehicle for  
9 the cost to purchase and install the necessary home  
10 refueling equipment for bi-fuel, dual-fuel, hybrid or  
11 dedicated vehicles.

12 (iii) As grants to school districts, municipal  
13 authorities, political subdivisions and nonprofit  
14 entities to cover the incremental cost to purchase  
15 biofuel.

16 (iv) As rebates to residents of this Commonwealth to  
17 meet the incremental cost to individuals who purchase a  
18 bi-fuel, dual-fuel, hybrid or dedicated vehicle.

19 (2) Moneys from the fund may be expended by the  
20 department as reimbursement of up to [5¢] 10¢ per gallon in a  
21 calendar year for up to 12,500,000 gallons of renewable fuels  
22 produced by a qualified renewable fuels producer.

23 (3) One year after the effective date of this act and  
24 for every year thereafter, the amount of funding by the  
25 department under this subsection shall be evaluated to  
26 determine whether an adjustment in funding level is  
27 appropriate. The evaluation criteria shall be based on  
28 economic and regulatory conditions that affect the  
29 feasibility of alternative fuels and the financial solvency  
30 of the fund. At no time shall the grant or rebate funding

1 amount be below the amounts specified in this section.

2 (4) No more than [2%] 1% of the fund may be used to  
3 administer the provisions of this act.

4 (4.1) No more than 1% of the fund may be used to educate  
5 and do outreach to car dealers and consumers about this  
6 program.

7 (5) No more than 10% of the fund may be awarded to any  
8 one school district, municipal authority, political  
9 subdivision, nonprofit entity, corporation, limited liability  
10 company, partnership or resident of this Commonwealth in any  
11 one year, provided that the total amount of grants awarded  
12 and rebates provided to grant and rebate recipients within a  
13 political subdivision in a year shall not exceed 15% of the  
14 fund. However, if the total grant and rebate money to be  
15 awarded in that year is less than the total grant money  
16 available for that year, the department may increase the 10%  
17 and 15% funding levels established under this paragraph not  
18 to exceed 40% of the fund.

19 (6) Beginning Fiscal Year 2008-2009, through and  
20 including Fiscal Year 2010-2011, the department may expend up  
21 to \$100,000 annually from the fund for a nitrogen tire  
22 inflation grant program. The department may award matching  
23 grants of up to 50% of the costs of purchasing and installing  
24 a nitrogen tire inflation system to ~~retailers~~ AUTOMOTIVE <—  
25 SERVICE PROVIDERS who sell tires in this Commonwealth.  
26 Individual grants may not exceed \$5,000 per nitrogen tire  
27 inflation system. The department shall publish guidelines as  
28 necessary to implement the provisions of this subsection and  
29 maintain a registry of all grant recipients on the  
30 department's publicly accessible World Wide Web site.

1 \* \* \*

2 (d) Rebate program.--There is hereby established a rebate  
3 program within the department for individuals residing in this  
4 Commonwealth who purchase a hybrid, biodiesel or other  
5 alternative fuel vehicle.

6 (1) The department shall establish a formula and method  
7 for the awarding of rebates under this program. The  
8 department shall publish this information yearly in the  
9 Pennsylvania Bulletin and may also publish this information  
10 on the department's World Wide Web site. Rebates shall be  
11 provided to the extent that funding is available for this  
12 purpose. To the extent that applications for rebates exceed  
13 the available funds for this program, the department may  
14 award rebates on a pro rata basis.

15 (2) A request for a rebate must be submitted to the  
16 department no later than six months after the purchase date  
17 of the hybrid vehicle, in a form and manner prescribed by the  
18 department. The department shall provide an application form  
19 to an individual upon request, and the department may make  
20 the application form on its World Wide Web site or through  
21 the place of purchase of the hybrid vehicle.

22 (3) Applicants shall provide a copy of a valid  
23 Pennsylvania vehicle registration and proof of purchase when  
24 making a request for a rebate under this program.

25 ~~Section 2. This act shall take effect in 60 days.~~ <—

26 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

27 SECTION 3.1. BIODIESEL PRODUCTION INCENTIVES.

28 (A) INCENTIVES.--THE DEPARTMENT SHALL PAY A QUALIFIED  
29 BIODIESEL PRODUCER AN INCENTIVE FOR THE PRODUCTION OF BIODIESEL  
30 IN THE AMOUNT OF 75¢ FOR EACH GALLON OF BIODIESEL SOLD BY THE

1 PRODUCER FOR COMMERCIAL PURPOSES. QUALIFIED BIODIESEL PRODUCERS  
2 MAY RECEIVE THE INCENTIVE FOR NO MORE THAN SEVEN MILLION GALLONS  
3 PER CALENDAR YEAR. INDIVIDUAL PRODUCERS SHALL NOT RECEIVE MORE  
4 THAN \$2,000,000 IN INCENTIVES ANNUALLY. THE INCENTIVES SHALL BE  
5 PAID UNTIL DECEMBER 31, 2010.

6 (B) APPLICATION.--A QUALIFIED BIODIESEL PRODUCER SHALL FILE  
7 FOR THE BIODIESEL PRODUCTION INCENTIVE ON A MONTHLY BASIS ON A  
8 FORM FURNISHED BY THE DEPARTMENT. THE FORM SHALL REQUIRE THE  
9 QUALIFIED BIODIESEL PRODUCER TO SUBMIT PROOF OF PRODUCTION OF  
10 THE BIODIESEL AND THE NUMBER OF GALLONS SOLD DURING THE PREVIOUS  
11 CALENDAR MONTH. A PRODUCER SHALL ALSO SUBMIT A CERTIFICATE OF  
12 ANALYSIS FROM AN ACCREDITED LABORATORY FOR EVERY 500,000 GALLONS  
13 OF BIODIESEL PRODUCED SHOWING THAT THE BIODIESEL MEETS THE  
14 AMERICAN SOCIETY FOR TESTING AND MATERIALS D-6751 STANDARD.

15 (C) EXCEPTION.--A QUALIFIED BIODIESEL PRODUCER WHO RECEIVES  
16 AN INCENTIVE UNDER THIS SECTION SHALL NOT BE ELIGIBLE TO RECEIVE  
17 AN INCENTIVE UNDER SECTION 3.

18 SECTION 4. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

19 (1) THE AMENDMENT OR ADDITION OF SECTIONS 2 AND 3.1 OF  
20 THE ACT SHALL TAKE EFFECT JANUARY 1, 2008, OR IMMEDIATELY,  
21 WHICHEVER IS LATER.

22 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

23 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60  
24 DAYS.