

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1114 Session of
2004

INTRODUCED BY WAUGH, MADIGAN, WOZNIAK, D. WHITE, TOMLINSON,
O'PAKE, KUKOVICH, ERICKSON, WAGNER, KITCHEN, PIPPY, STOUT,
ORIE, RAFFERTY, LAVALLE, MOWERY, GORDNER, GREENLEAF,
TARTAGLIONE, ARMSTRONG AND WONDERLING, MAY 12, 2004

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, MAY 12, 2004

AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated
2 Statutes, further providing for definitions, for alternative
3 fuels funding and for reporting; and making editorial
4 changes.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The definition of "PEO" in section 7201 of Title
8 75 of the Pennsylvania Consolidated Statutes is amended and the
9 section is amended by adding definitions to read:

10 § 7201. Definitions.

11 The following words and phrases when used in this chapter
12 shall have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Agricultural fuel." Any of the following:

15 (1) Bioethanol.

16 (2) Biodiesel.

17 (3) Liquid fuel other than bioethanol or biodiesel

18 which:

1 (i) is derived from agricultural or renewable
2 biological products; and

3 (ii) meets American Society for Testing and
4 Materials specifications.

5 * * *

6 "Base products." Includes:

7 (1) Agricultural products. This paragraph includes
8 potatoes, cereal, grains, oilseeds, cheese whey and sugar
9 beets.

10 (2) Forest products.

11 (3) Recycled vegetable oils, animal fats and spent
12 restaurant grease.

13 (4) Starch or sugar residues resulting from food
14 processing.

15 (5) Other renewable resources.

16 * * *

17 "Biodiesel." Simple alkyl ester which:

18 (1) is derived from base products; and

19 (2) meets the most recent applicable American Society
20 for Testing and Materials specifications.

21 "Bioethanol." Fermentation ethyl alcohol which:

22 (1) is derived from base products;

23 (2) meets the most recent applicable specifications in
24 American Society for Testing and Materials Specifications
25 D4806-01; and

26 (3) is denatured as specified in 27 CFR Pts. 20
27 (relating to distribution and use of denatured alcohol and
28 rum) and 21 (relating to formulas for denatured alcohol and
29 rum).

30 * * *

1 ["PEO." The Pennsylvania Energy Office.]

2 * * *

3 Section 2. Sections 7202 heading, (a), (b) and (c)
4 introductory paragraph, 7203 and 7204 of Title 75 are amended to
5 read:

6 § 7202. Alternative Fuels Incentive [Grant] Fund.

7 (a) Establishment.--There is hereby established a separate
8 account in the State Treasury to be known as the Alternative
9 Fuels Incentive [Grant] Fund. This fund shall be administered by
10 the [PEO] Department of Environmental Protection. The fund shall
11 consist of that portion of revenues collected under the
12 utilities gross receipts tax as set forth in section 7204
13 (relating to appropriation).

14 (b) Expenditures.--

15 (1) [Moneys from] In each fiscal year, after deducting
16 administration costs under paragraph (2):

17 (i) Twenty-five percent of the money in the fund
18 shall be transferred to the Energy Development Fund for
19 use under section 2811-C of the act of April 9, 1929
20 (P.L.177, No.175), known as The Administrative Code of
21 1929.

22 (ii) Fifty percent of the money in the fund shall be
23 used by the Department of Environmental Protection to
24 reimburse distributors for up to 10¢ per gallon in a
25 calendar year for the tax imposed under section 9004
26 (relating to imposition of tax, exemptions and
27 deductions) for agricultural fuels produced in this
28 Commonwealth. The tax relief received by distributors
29 shall be passed on to retailers.

30 (iii) Subject to paragraph (3), the remaining money

1 in the fund shall be expended by the [PEO] Department of
2 Environmental Protection as grants to school districts,
3 municipal authorities, political subdivisions, nonprofit
4 entities and corporations or partnerships incorporated or
5 registered in this Commonwealth and to residents of this
6 Commonwealth to meet 60% of the expenses relative to
7 retrofitting vehicles to operate on alternative fuels as
8 either a bi-fuel, dual-fuel or dedicated vehicle,
9 including the incremental cost of purchase of dedicated
10 vehicles and to meet 60% of the cost to install the
11 necessary fueling equipment. Two years after the
12 effective date of this chapter and for every two-year
13 period thereafter, the grant funding amount offered by
14 the [PEO] Department of Environmental Protection shall be
15 reduced 10% until it reaches 20% of the retrofit cost
16 where it will remain until economic or other conditions
17 warrant it be changed.

18 (2) No more than [5%] \$200,000 of the fund may be used
19 in a fiscal year to administer the provisions of this
20 chapter.

21 (3) No more than 10% of the fund may go to any one
22 school district, municipal authority, political subdivision,
23 nonprofit entity, corporation or partnership in any one
24 fiscal year, provided that the total amount of grants made to
25 grant recipients within a political subdivision in a fiscal
26 year shall not exceed 15% of the fund.

27 (c) Regulatory powers.--The [PEO] Department of
28 Environmental Protection shall promulgate regulations necessary
29 to carry out the provisions of this chapter which shall include
30 a method by which grant applications will be prioritized

1 according but not limited to the following goals and/or
2 criteria:

3 * * *

4 § 7203. Reports.

5 (a) Annual report.--The [PEO] Department of Environmental
6 Protection shall annually make a report to the General Assembly
7 on the activities undertaken pursuant to this chapter, including
8 the number of grants awarded and other expenditures from the
9 fund.

10 [(b) Special report.--The Department of Revenue, in
11 consultation with the PEO and the Department of Transportation,
12 shall submit a report to the General Assembly within two years
13 after the effective date of this chapter which analyzes the
14 impact of alternatively fueled vehicles on revenue from State
15 taxes on motor fuels at the time and projected five years into
16 the future and make recommendations on mechanisms to replace any
17 revenue losses.]

18 § 7204. Appropriation.

19 There is hereby allocated from the General Fund, on an annual
20 basis, an amount equal to 0.25 mills of the utilities' gross
21 receipts tax collected during each fiscal year under Article XI
22 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
23 Reform Code of 1971. All moneys in this fund are hereby
24 appropriated to the [Pennsylvania Energy Office] Department of
25 Environmental Protection on a continuing basis to carry out this
26 chapter.

27 Section 3. This act shall take effect in 60 days.