

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2768 Session of
2006

INTRODUCED BY COHEN, MCGEEHAN, READSHAW, CORNELL, CALTAGIRONE,
BUNT, MANDERINO, PISTELLA, MCILHATTAN AND JOSEPHS,
JUNE 15, 2006

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
JUNE 15, 2006

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 Alternative Fuels Incentive Fund; and
10 making an appropriation.

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

13 Section 1. Section 3 of the act of November 29, 2004
14 (P.L.1376, No.178), known as the Alternative Fuels Incentive
15 Act, is amended to read:

16 Section 3. Alternative Fuels Incentive Fund.

17 (a) Establishment.--There is hereby established a separate
18 account in the State Treasury to be known as the Alternative
19 Fuels Incentive Fund. This fund shall be administered by the
20 department. The fund shall consist of that portion of revenues
21 allocated from the utilities gross receipts tax as set forth in

1 section 5 and of moneys appropriated by transfer or otherwise to
2 the fund.

3 (b) Expenditures.--

4 (1) Moneys from the fund shall be expended by the
5 department:

6 (i) As grants to school districts, municipal
7 authorities, political subdivisions, nonprofit entities,
8 corporations, limited liability companies or partnerships
9 incorporated or registered in this Commonwealth to
10 provide funding for:

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

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

16 (C) The cost to purchase and install the
17 necessary fleet refueling or home-refueling equipment
18 for bi-fuel, dual-fuel, hybrid or dedicated vehicles.

19 (D) The cost to perform research, training
20 development and demonstration of new applications or
21 next-phase technology related to alternative fuel
22 vehicles.

23 (ii) As grants to individual residents of this
24 Commonwealth who purchase an alternative fuel vehicle for
25 the cost to purchase and install the necessary home
26 refueling equipment for bi-fuel, dual-fuel, hybrid or
27 dedicated vehicles.

28 (iii) As grants to school districts, municipal
29 authorities, political subdivisions and nonprofit
30 entities to cover the incremental cost to purchase

1 biofuel.

2 (iv) As rebates to residents of this Commonwealth to
3 meet the incremental cost to individuals who purchase a
4 bi-fuel, dual-fuel, hybrid or dedicated vehicle. In the
5 case of a hybrid vehicle, the rebate shall be awarded for
6 the purchase of a new or used hybrid vehicle.

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

11 (3) One year after the effective date of this act and
12 for every year thereafter, the amount of funding by the
13 department under this subsection shall be evaluated to
14 determine whether an adjustment in funding level is
15 appropriate. The evaluation criteria shall be based on
16 economic and regulatory conditions that affect the
17 feasibility of alternative fuels and the financial solvency
18 of the fund. At no time shall the grant or rebate funding
19 amount be below the amounts specified in this section.

20 (4) No more than 2% of the fund may be used to
21 administer the provisions of this act.

22 (5) No more than 10% of the fund may be awarded to any
23 one school district, municipal authority, political
24 subdivision, nonprofit entity, corporation, limited liability
25 company, partnership or resident of this Commonwealth in any
26 one year, provided that the total amount of grants awarded
27 and rebates provided to grant and rebate recipients within a
28 political subdivision in a year shall not exceed 15% of the
29 fund. However, if the total grant and rebate money to be
30 awarded in that year is less than the total grant money

1 available for that year, the department may increase the 10%
2 and 15% funding levels established under this paragraph not
3 to exceed 40% of the fund.

4 (c) Grant program.--The department shall establish a formula
5 and method for the awarding of grants under the program. The
6 department also shall establish a method by which grant
7 applications will be prioritized according to, but not limited
8 to, the following goals and criteria:

9 (1) The improvement of this Commonwealth's air quality.

10 (2) The fulfillment of the Commonwealth's
11 responsibilities under the Clean Air Act (69 Stat. 322, 42
12 U.S.C. § 7401 et seq.).

13 (3) The protection of this Commonwealth's natural
14 environment, including land, water and wildlife.

15 (4) The advancement of economic development in this
16 Commonwealth and the promotion of this Commonwealth's
17 indigenous resources.

18 (5) The reduction of this Commonwealth's dependence on
19 imported crude oil and other petroleum products.

20 (6) The most cost-effective use of private and public
21 funding.

22 (7) The transfer and commercialization of innovative
23 alternative energy technologies.

24 (d) Rebate program.--There is hereby established a rebate
25 program within the department for individuals residing in this
26 Commonwealth who purchase a new or used hybrid vehicle.

27 (1) The department shall establish a formula and method
28 for the awarding of rebates under this program. The
29 department shall publish this information yearly in the
30 Pennsylvania Bulletin and may also publish this information

1 on the department's World Wide Web site. Rebates shall be
2 provided to the extent that funding is available for this
3 purpose[.] and shall not be less than \$500 for the purchase
4 of a new hybrid vehicle nor less than \$250 for the purchase
5 of a used hybrid vehicle. To the extent that applications for
6 rebates exceed the available funds for this program, the
7 department may award rebates on a pro rata basis.

8 (2) A request for a rebate must be submitted to the
9 department no later than six months after the purchase date
10 of the hybrid vehicle, in a form and manner prescribed by the
11 department. The department shall provide an application form
12 to an individual upon request, and the department may make
13 the application form on its World Wide Web site or through
14 the place of purchase of the hybrid vehicle.

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

18 Section 2. The sum of \$1,500,000 is hereby appropriated for
19 transfer from the General Fund to the Alternative Fuels
20 Incentive Fund for the fiscal year beginning July 1, 2006, for
21 the purpose of awarding rebates to individuals who purchase a
22 new or used hybrid vehicle.

23 Section 3. This act shall take effect July 1, 2006, or
24 immediately, whichever is later.