

AN ACT concerning finance.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois Procurement Code is amended by adding Section 25-75 as follows:

(30 ILCS 500/25-75 new)

Sec. 25-75. Purchase of motor vehicles.

(a) Beginning on the effective date of this amendatory Act of the 94th General Assembly, all gasoline-powered vehicles purchased from State funds must be flexible fuel vehicles. Beginning July 1, 2007, all gasoline-powered vehicles purchased from State funds must be flexible fuel or fuel efficient hybrid vehicles. For purposes of this Section, "flexible fuel vehicles" are automobiles or light trucks that operate on either gasoline or E-85 (85% ethanol, 15% gasoline) fuel and "Fuel efficient hybrid vehicles" are automobiles or light trucks that use a gasoline or diesel engine and an electric motor to provide power and gain at least a 20% increase in combined US-EPA city-highway fuel economy over the equivalent or most-similar conventionally-powered model.

(b) On and after the effective date of this amendatory Act of the 94th General Assembly, any vehicle purchased from State funds that is fueled by diesel fuel shall be certified by the manufacturer to run on 5% biodiesel (B5) fuel.

(c) The Chief Procurement Officer may determine that certain vehicle procurements are exempt from this Section based on intended use or other reasonable considerations such as health and safety of Illinois citizens.

Section 10. The Alternate Fuels Act is amended by changing Section 30 as follows:

(415 ILCS 120/30)

Sec. 30. Rebate program. Beginning January 1, 1997, and as long as funds are available, each owner of an alternate fuel vehicle shall be eligible to apply for a rebate. Beginning July 1, 2005, each owner of a vehicle using domestic renewable fuel is eligible to apply for a fuel cost differential rebate under subsection (c) of this Section. The Agency shall cause rebates to be issued under the provisions of this Act. An owner may apply for only one of 3 types of rebates with regard to an individual alternate fuel vehicle: (i) a conversion cost rebate, (ii) an OEM differential cost rebate, or (iii) a fuel cost differential rebate. Only one rebate may be issued with regard to a particular alternate fuel vehicle during the life of that vehicle. A rebate shall not exceed \$4,000 per vehicle. Over the life of this rebate program, an owner of an alternate fuel vehicle or a vehicle using domestic renewable fuel may not receive rebates for more than 150 vehicles per location or for 300 vehicles in total.

(a) A conversion cost rebate may be issued to an owner or his or her designee in order to reduce the cost of converting of a conventional vehicle to an alternate fuel vehicle. Conversion of a conventional vehicle to alternate fuel capability must take place in Illinois for the owner to be eligible for the conversion cost rebate. Amounts spent by applicants within a calendar year may be claimed on a rebate application submitted during that calendar year. Approved conversion cost rebates applied for during or after calendar year 1997 shall be 80% of all approved conversion costs claimed and documented. Approval of conversion cost rebates may continue after calendar year 2002, if funds are still available. An applicant may include on an application submitted in 1997 all amounts spent within that calendar year on the conversion, even if the expenditure occurred before promulgation of the Agency rules.

(b) An OEM differential cost rebate may be issued to an owner or his or her designee in order to reduce the cost

differential between a conventional vehicle or engine and the same vehicle or engine, produced by an original equipment manufacturer, that has the capability to use alternate fuels.

A new OEM vehicle or engine must be purchased in Illinois and must either be an alternate fuel vehicle or used in an alternate fuel vehicle, respectively, for the owner to be eligible for an OEM differential cost rebate. Large vehicles, over 8,500 pounds gross vehicle weight, purchased outside Illinois are eligible for an OEM differential cost rebate if the same or a comparable vehicle is not available for purchase in Illinois. Amounts spent by applicants within a calendar year may be claimed on a rebate application submitted during that calendar year.

Approved OEM differential cost rebates applied for during or after calendar year 1997 shall be 80% of all approved cost differential claimed and documented. Approval of OEM differential cost rebates may continue after calendar year 2002, if funds are still available. An applicant may include on an application submitted in 1997 all amounts spent within that calendar year on OEM equipment, even if the expenditure occurred before promulgation of the Agency rules.

(c) A fuel cost differential rebate may be issued to an owner or his or her designee in order to reduce the cost differential between conventional fuels and domestic renewable fuels or alternate fuels purchased to operate an alternate fuel vehicle . The fuel cost differential shall be based on a 3-year life cycle cost analysis developed by the Agency by rulemaking. The rebate shall apply to and be payable during a consecutive 3-year period commencing on the date the application is approved by the Agency. Approved fuel cost differential rebates may be applied for during or after calendar year 1997 and approved rebates shall be 80% of the cost differential for a consecutive 3-year period. Approval of fuel cost differential rebates may continue after calendar year 2002 if funds are still available.

Twenty-five percent of the amount that is appropriated

under Section 40 to be used to fund programs authorized by this Section during calendar year 2001 shall be designated to fund fuel cost differential rebates. If the total dollar amount of approved fuel cost differential rebate applications as of July 1, 2001 is less than the amount designated for that calendar year, the balance of designated funds shall be immediately available to fund any rebate authorized by this Section and approved in the calendar year.

An approved fuel cost differential rebate shall be paid to an owner in 3 annual installments on or about the anniversary date of the approval of the application. Owners receiving a fuel cost differential rebate shall be required to demonstrate, through recordkeeping, the use of domestic renewable fuels during the 3-year period commencing on the date the application is approved by the Agency. If the vehicle ceases to be registered to the original applicant owner, a prorated installment shall be paid to that owner or the owner's designee and the remainder of the rebate shall be canceled.

(d) Vehicles owned by the federal government or vehicles registered in a state outside Illinois are not eligible for rebates.

(Source: P.A. 94-62, eff. 6-20-05.)