

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1213
Committee Substitute Favorable 8/8/01

Short Title: Rebate and Grant Program for AFVs.

(Public)

Sponsors:

Referred to:

April 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE ALTERNATIVE FUEL VEHICLE REBATE AND
3 INFRASTRUCTURE GRANT PROGRAM.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 113B of the General Statutes is amended by adding a
6 new Article to read:

7 "Article 3.

8 "Alternative Fuel Vehicle Rebate and Infrastructure Grant Program.

9 **"§ 113B-30. Definitions.**

10 The following definitions apply in this Article:

11 (1) "Alternative fuel" means any of the following:

12 a. Electricity.

13 b. Natural gas either as compressed natural gas or liquefied natural
14 gas.

15 c. Propane.

16 d. Hydrogen.

17 e. Ethanol used separately or in mixtures of seventy percent (70%)
18 or more by volume mixed with gasoline.

19 f. Fuels derived from biological materials, such as biodiesel and
20 methanol additives.

21 (2) "Alternative Fuel Vehicle" or "AFV" means a vehicle that has been
22 developed for, and is intended to be operated using, one or more
23 alternative fuels.

24 (3) "Alternative fuel infrastructure project" means fueling stations, fueling
25 tanks, charging stations, and other equipment used to fuel AFVs.

26 (4) "Bi-fuel (dual-fuel) vehicle" means an AFV capable of running on
27 either an alternative fuel or gasoline.

28 (5) "Conventional vehicle" means a vehicle running only on gasoline,
29 reformulated gasoline, or diesel fuel.

- 1 (6) "Dedicated vehicle" means an AFV that can only be operated using an
2 alternative fuel.
- 3 (7) "Flex-fuel vehicle" means an AFV capable of operating on either
4 gasoline or diesel fuel in combination with an alternative fuel in
5 various proportions.
- 6 (8) "Hybrid vehicle" means an AFV that is powered by an electric motor
7 and an engine combusting an alternative fuel, gasoline, or diesel fuel.
- 8 (9) "Incremental cost" means the difference in price between an
9 alternative fuel vehicle and a conventional vehicle of the same make
10 and model as provided by the original equipment manufacturer.
- 11 (10) "Low-speed vehicle" means a four-wheeled vehicle whose top speed is
12 greater than 20 miles per hour but less than 25 miles per hour.
- 13 (11) "Person" means an individual, a business, a corporation, or a unit of
14 municipal government or county government. "Person" does not
15 include any unit of the federal government.

16 **"§ 113B-31. Administration.**

17 (a) The State Energy Office in the Department of Administration shall establish
18 and administer policies determined in consultation with other state agencies, including
19 the Departments of Transportation, Correction, Public Instruction, and Environment and
20 Natural Resources, as well as interested organizations and businesses, to comply with
21 environmental and energy regulations of the United States Department of Energy and
22 the Environmental Protection Agency. Up to five percent (5%) of the funds collected in
23 the program may be used by the State Energy Office and the Division of Motor
24 Vehicles for administrative costs of the program.

25 (b) The State Energy Office shall place an annual cap on the number of vehicles
26 eligible to receive rebates under the program based on the availability of funds.
27 Commitments to vehicle rebates and infrastructure grants must never exceed funds
28 collected and available. The State is not obligated to provide rebates or infrastructure
29 grants beyond the funds available in the program.

30 (c) During the first two years of the program, annual funding for vehicle rebates
31 shall not exceed forty percent (40%) of the total funds collected.

32 **"§ 113B-32. Rebate program.**

33 (a) A person who has purchased an alternative fuel vehicle weighing less than
34 8,500 pounds gross weight, either from an original equipment manufacturer or that has
35 been retrofitted with a certified kit under the supervision or approval of a certified AFV
36 technician approved by the administering agency, is eligible for the following rebates,
37 subject to a maximum of thirty thousand dollars (\$30,000) in total annual rebates:

- 38 (1) Eighty percent (80%) of the incremental cost for a dedicated vehicle,
39 up to a maximum of five thousand dollars (\$5,000) per vehicle.
- 40 (2) Fifty percent (50%) of the incremental cost for a bi-fuel, flex-fuel, or
41 hybrid vehicle, up to a maximum of five thousand dollars (\$5,000) per
42 vehicle. Availability of the alternative fuel in the particular area the

1 vehicle will be used must be documented prior to payment of the
2 rebate.

3 (3) Twenty percent (20%) of the total purchase price of a low-speed
4 vehicle or one thousand dollars (\$1,000), whichever is less.

5 (4) Ten percent (10%) of the total purchase price for all other dedicated
6 alternative fuel vehicles and hybrid vehicles designated as eligible by
7 the administering agency that have no comparable conventional model
8 on which to base incremental cost calculations, up to five thousand
9 dollars (\$5,000) per vehicle.

10 (b) A person who has purchased an alternative fuel vehicle weighing more than
11 8,500 pounds gross weight, either through an original equipment manufacturer or that
12 has been retrofitted with a certified kit under the supervision or approval of a certified
13 AFV technician approved by the administering agency, is eligible for the following
14 rebates, subject to a maximum of one hundred thousand dollars (\$100,000) in total
15 annual rebates:

16 (1) Eighty percent (80%) of the incremental cost for a dedicated vehicle,
17 up to a maximum of twenty-five thousand dollars (\$25,000) per
18 vehicle.

19 (2) Fifty percent (50%) of the incremental cost for a bi-fuel, flex-fuel, or
20 hybrid vehicle, up to a maximum of twenty-five thousand dollars
21 (\$25,000) per vehicle. Availability of the alternative fuel in the
22 particular area the vehicle will be used must be documented prior to
23 payment of the rebate.

24 (3) Twenty percent (20%) of the total purchase price of a low-speed
25 electric vehicle or one thousand dollars (\$1,000), whichever is less.

26 (4) Ten percent (10%) of the total purchase price for all other dedicated
27 alternative fuel vehicles and hybrid vehicles designated as eligible by
28 the administering agency that have no comparable conventional model
29 on which to base incremental cost calculations, up to twenty-five
30 thousand dollars (\$25,000) per vehicle.

31 (c) A person who leases an alternative fuel vehicle is eligible for the rebates in
32 subsections (a) and (b) in the same manner as those persons who purchase an alternative
33 fuel vehicle.

34 (d) A person seeking a rebate must complete a rebate form and provide proof of
35 ownership and license registration of the alternative fuel vehicle. The rebate form may
36 be obtained from automotive dealers, the State Energy Office, or the Division of Motor
37 Vehicles.

38 **"§ 113B-33. Infrastructure grant program.**

39 (a) A person is eligible for a grant in an amount of up to fifty percent (50%) of
40 the cost of an alternative fuel vehicle infrastructure project that is selected by the State
41 Energy Office, subject to a maximum of five hundred thousand dollars (\$500,000) per
42 project.

1 **(b)** A person is eligible for a grant in an amount of up to seventy-five percent
2 (75%) of the total cost of installing an ethanol infrastructure project, subject to a
3 maximum of five hundred thousand dollars (\$500,000) per project, not to exceed one
4 million dollars (\$1,000,000) annually.

5 **(c)** Any residual funds shall be available, on a quarterly basis, to State agencies
6 for grants for alternative fuel infrastructure projects.

7 **(d)** To qualify for a grant under this program, the infrastructure must be
8 accessible to the public, or serve vehicles used by the public, or for the public benefit by
9 reducing harmful air emissions. Priority shall be given to projects serving 10 or more
10 vehicles and to other persons before State agencies.

11 **(e)** Up to forty-five percent (45%) of funds collected annually will be awarded as
12 grants for infrastructure projects during the first two years of the program. During the
13 first two years of the program, priority for infrastructure grants will be awarded in those
14 counties at risk for nonattainment penalties under federal EPA regulations.

15 **"§ 113B-34. Education fund for promotion of alternative fuel vehicles.**

16 Up to ten percent (10%) of the funds from the Alternative Fuel Vehicle Rebate and
17 Infrastructure Grant Program may be used for education and awareness about the
18 applications, advantages, and environmental benefits of alternative fuel vehicles.

19 **"§ 113B-35. Funding.**

20 The alternative fuel vehicle rebate and infrastructure grant program shall be funded
21 for the first three years beginning on January 1, 2002, from a one-dollar (\$1.00) increase
22 in the cost of registering each motor vehicle licensed in this State. For the next seven
23 years, beginning on January 1, 2005, the program shall be funded from a two-dollar
24 (\$2.00) increase in the cost of registering each motor vehicle in this State. At the end of
25 10 years, the program shall expire unless further action is taken by the General
26 Assembly. Any residual funds shall then be transferred to the General Fund.

27 **"§ 113B-36. Reporting.**

28 **(a)** The State Energy Office shall provide a written report of the number of
29 alternative fuel vehicles registered in North Carolina and of the expenditure of funds
30 associated with this program to the Joint Transportation Oversight Committee on an
31 annual basis for review of program effectiveness.

32 **(b)** The Division of Motor Vehicles shall provide to the State Energy Office
33 quarterly reports of all registered vehicles identified by fuel type as required by
34 G.S. 20-50.5."

35 **SECTION 2.** Chapter 20 of the General Statutes is amended by adding a
36 new section to read:

37 **"§ 20-50.5. Division to furnish State Energy Office reports of registered alternative**
38 **fuel vehicles.**

39 The Division shall provide to the State Energy Office quarterly reports of registered
40 vehicles identified by fuel type."

41 **SECTION 3.** G.S. 20-57(b) reads as rewritten:

1 "(b) The registration card shall be delivered to the owner and shall contain upon
2 the face thereof the name and address of the owner, space for the owner's signature, the
3 registration number assigned to the vehicle, the fuel type of the vehicle, and a
4 description of the vehicle as determined by the Commissioner, provided that if there are
5 more than two owners the Division may show only two owners on the registration card
6 and indicate that additional owners exist by placing after the names listed "et al." An
7 owner may obtain a copy of a registration card issued in the owner's name by applying
8 to the Division for a copy and paying the fee set in G.S. 20-85."

9 **SECTION 4.** G.S. 20-87 reads as rewritten:

10 "**§ 20-87. Passenger vehicle registration fees.**

11 (a) These shall be paid to the Division annually, as of the first day of January, for
12 the registration and licensing of passenger vehicles, fees according to the following
13 classifications and schedules:

14 ...

15 (b) Upon initial registration or renewal, the following additional fee shall be paid
16 to the Division during the specified time periods in addition to the fees authorized by
17 subsection (a) of this section to fund the Alternative Fuel Vehicle Rebate and
18 Infrastructure Grant Program created by G.S. 113B-30 through 113B-36:

19 January 1, 2002-December 31, 2004..... \$1.00

20 January 1, 2005-December 31, 2011..... 2.00".

21 **SECTION 5.** The North Carolina Department of Transportation is directed
22 to study the feasibility of allowing alternative fuel vehicles to have access to high
23 occupancy vehicle lanes and special parking privileges and to provide its findings and
24 recommendations to the Joint Transportation Oversight Committee by June 1, 2002.
25 The Joint Transportation Oversight Committee is directed to evaluate the success of the
26 Alternative Fuel Rebate and Infrastructure Grant Program after 10 years and report its
27 findings and recommendations to the 2011 General Assembly, including whether the
28 program should be continued.

29 **SECTION 6.** This act becomes effective January 1, 2002, and expires on
30 January 1, 2012.