

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

**HOUSE BILL NO. 1137**

**93RD GENERAL ASSEMBLY**

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Reported from the Special Committee on Energy and Environment March 15, 2006 with recommendation that House Committee Substitute for House Bill No. 1137 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules April 5, 2006 with recommendation that House Committee Substitute for House Bill No. 1137 Do Pass with no time limit for debate.

Taken up for Perfection April 26, 2006. House Committee Substitute for House Bill No. 1137 ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

3328L.02P

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**AN ACT**

To amend chapter 640, RSMo, by adding thereto ten new sections relating to alternative fuel and alternative fuel vehicles.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 640, RSMo, is amended by adding thereto ten new sections, to be  
2 known as sections 640.800, 640.803, 640.806, 640.809, 640.812, 640.815, 640.818, 640.821,  
3 640.824, and 640.827, to read as follows:

**640.800. As used in sections 640.800 to 640.824 the following terms shall mean:**

2 **(1) "Alternative fuel", any of the following:**

3 **(a) Biodiesel used separately or in mixtures of twenty percent known as B-20 or up**  
4 **to B-100;**

5 **(b) Electric;**

6 **(c) Ethanol used separately or in mixtures of seventy percent or more by volume**  
7 **mixed with gasoline;**

8 **(d) Fuels derived from biological materials such as ethanol, biodiesel, or other**  
9 **recognized additives;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 10 (e) Hydrogen;
- 11 (f) Natural gas either as compressed natural or liquefied natural gas;
- 12 (g) Propane liquefied petroleum gas;
- 13 (2) "Alternative fuel infrastructure project", fueling stations or sites, fueling tanks  
14 and trucks, charging stations, and other equipment used to fuel alternative fuel vehicles  
15 or produce alternative fuels;
- 16 (3) "Alternative fuel vehicle", a vehicle that has been developed for, and is intended  
17 to be operated using one or more alternative fuel;
- 18 (4) "Alternative fuel provider", a person or organization that produces or sells  
19 alternative fuel;
- 20 (5) "Bi-fuel vehicle", an alternative fuel vehicle capable of running on either an  
21 alternative fuel or gasoline;
- 22 (6) "Board", the clean American fuel board created under section 640.803;
- 23 (7) "Conventional vehicle", a vehicle running only on gasoline, reformulated  
24 gasoline, or diesel fuel;
- 25 (8) "Dedicated vehicle", an alternative fuel vehicle that can only be operated using  
26 an alternative fuel;
- 27 (9) "Department", the department of natural resources;
- 28 (10) "Director", the director of the department of natural resources;
- 29 (11) "Dual-fuel vehicle", an alternative fuel vehicle capable of running on an  
30 alternative fuel and either gasoline or diesel during some portion of its operations;
- 31 (12) "Flex-fuel vehicle" an alternative fuel vehicle capable of operating on gasoline  
32 fuel with an alternative fuel in various combinations;
- 33 (13) "Fund", the alternative fuel vehicle revolving fund created under section  
34 640.812;
- 35 (14) "Hybrid vehicle", a vehicle that is powered by an electric motor and an engine  
36 combusting an alternative fuel, gasoline, or diesel fuel;
- 37 (15) "Incremental cost" or "differential cost", the difference in price between an  
38 alternative fuel vehicle and a conventional vehicle of the same make and model as provided  
39 by the original equipment manufacturer or the difference in price between conventional  
40 fuels such as gasoline and diesel or an alternative fuel;
- 41 (16) "Person", an individual, a business, a corporation, unit of municipal or county  
42 government, but does not mean any unit of the federal government.

2 640.803. There is hereby established the "The Clean American Fuel Board". The  
3 board shall consist of eight members. The governor shall appoint seven members to the  
board, one member from the ethanol industry, one member from the natural gas industry,

4 one member from the liquefied petroleum gas industry, one member from the biodiesel  
5 industry, one member from the fuel marketer/retailer industry, one member from the  
6 Kansas City Regional Clean City Coalition and one from the St. Louis Clean City  
7 Coalition. The director shall be an ex officio member of the board as well as its  
8 chairperson.

2 **640.806.** Members of the board shall not be compensated for their services, but they  
3 shall be reimbursed for actual and necessary expenses incurred in the performance of their  
4 duties. The members of the board shall elect one member as vice chairperson, such  
5 member shall serve as chairperson in the absence of the director. Each member appointed  
6 by the governor shall serve for a term of two years and may be reappointed by the  
7 governor for an additional term of two years. The department of natural resources shall  
8 provide staff to the board and aid it in the performance of its duties.

2 **640.809.** The specific duties of the board shall include, but not be limited to, the  
3 following:

4 (1) Establishing and administering policies determined in consultation with other  
5 state agencies, including the departments of transportation, environment, and natural  
6 resources as well as interested organizations and businesses to comply with environmental  
7 and energy regulations of the United States Department of Energy and the Environmental  
8 Protection Agency;

9 (2) Preparing a report, including, but not limited to, a calculation of fuel cost  
10 differential rebates and designation of certified conversion and original equipment  
11 manufacturer technologies. Such report shall be prepared by January 1, 2007, and  
12 updated every year thereafter. Such report shall be made available to the governor, the  
13 general assembly, the department of natural resources, and the department of  
14 transportation;

15 (3) Preparing a report on the number of alternative fuel vehicles registered in  
16 Missouri and of the expenditure of funds under sections 640.800 to 640.824. Such report  
17 shall be prepared by January 1, 2007, and updated every year thereafter. Such report  
18 shall be made available to the governor, the general assembly, the department of natural  
19 resources, and the department of transportation;

20 (4) Establishing a procedure for persons to apply for grants from the fund under  
21 sections 640.815, and selecting persons who shall receive such grants;

22 (5) Establishing a procedure, consistent with the requirements under section  
23 640.821, for persons to apply for rebates from the fund under section 640.818, and selecting  
persons who shall receive such rebates.

640.812. 1. There is hereby created in the state treasury the "Alternative Fuel Vehicle Revolving Fund", which shall consist of moneys appropriated to the fund by the general assembly, and any other moneys donated to or accepted by the board. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, money in the fund shall be used solely for the administration of sections 640.800 to 640.824.

2. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

3. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

640.815. 1. A person may be eligible for a grant from the fund in an amount of up to twenty-five percent of the cost of an alternative fuel vehicle infrastructure project that is selected by the board. Such grant shall not exceed one hundred thousand dollars per project.

2. A person may be eligible for a grant from the fund in an amount of up to twenty-five percent of the total cost of installing a public access American fuels infrastructure project. Such grant shall not exceed one hundred thousand dollars per project, and no person shall receive more than two hundred thousand annually.

3. Any funds not used by a grantee under this section shall be returned to the treasurer and deposited into the fund.

4. To qualify for a grant under this section, the infrastructure shall be accessible to the public or serve vehicles used by the public, or for the public benefit by reducing harmful air emissions. Priority shall be given to projects serving ten or more vehicles in counties at risk for nonattainment penalties under federal Environmental Protection Agency regulations.

5. Up to ten percent of the grants from the fund may be used for education awareness and outreach activities such as the "Clean Cities", Missouri Green Fleets.

640.818. 1. A person who has purchased an alternative fuel vehicle weighing less than eight thousand five hundred pounds gross weight, either from an original equipment manufacturer dealer or that has been retrofitted with a kit certified by the board may be eligible for up to eighteen thousand dollars in rebates, in a year, to be made from the fund. Such rebates shall be:

(1) Up to eighty percent of the incremental cost for an original equipment manufacturer dedicated vehicle, with a maximum of three thousand dollars per vehicle;

8           (2) Up to eighty percent of the incremental cost for an original equipment  
9 manufacturer bi-fuel vehicle, with a maximum of two thousand dollars per vehicle;

10           (3) Up to ten percent of the incremental cost for a hybrid vehicle, with a maximum  
11 of five hundred dollars per vehicle;

12           (4) Up to ten percent of the total purchase price for all other dedicated alternative  
13 fuel vehicles and hybrid vehicles that have no comparable conventional model on which  
14 to base incremental cost calculations, with a maximum of one thousand dollars per vehicle.

15           2. A person who has purchased an alternative fuel vehicle weighing more than eight  
16 thousand five hundred pounds gross weight, either through an original equipment  
17 manufacturer or that has been retrofitted with a kit certified by the board, may be eligible  
18 for the following rebates from the fund:

19           (1) Up to fifty percent of the incremental cost for a dedicated vehicle, with a  
20 maximum of ten thousand dollars per vehicle;

21           (2) Up to fifty percent of the incremental cost for a bi-fuel, flex-fuel, or hybrid  
22 vehicle, with a maximum of ten thousand dollars per vehicle;

23           (3) Up to ten percent of the total purchase price for all other dedicated alternative  
24 fuel vehicles and hybrid vehicles designated as eligible by the administering agency that  
25 have no comparable conventional model on which to base incremental cost calculations,  
26 with a maximum of ten thousand per vehicle.

27           3. A person who leases for at least three years an alternative fuel vehicle shall be  
28 eligible for the rebate in subsections 1 and 2 of this section in the same manner as those  
29 persons who purchase an alternative fuel vehicle.

30           4. A person may be eligible for a yearly rebate, to be made from the fund, in the  
31 amount equal to ten percent of the person's cost of alternative fuel with a maximum of five  
32 thousand dollars a year. To be eligible for such rebate, fuel shall be purchased from a  
33 Missouri fuel provider.

**640.821. 1.** An application for a rebate under subsection 1 or 2 of section 640.818  
2 shall be made upon a form furnished by the department. Such form shall include:

3           (1) Evidence of the ownership and license registration of the alternative fuel  
4 vehicle;

5           (2) A signed statement that the evidence of ownership and license registration and  
6 all other representations in the application are made under oath or affirmation and are  
7 true and correct to the best knowledge and belief of the person applying, subject to the  
8 penalties of making a false affidavit or declaration;

9           (3) Any other information the board deems necessary to determine eligibility for  
10 rebate under subsection 1 or 2 of section 640.818.

11           **2. An application for a rebate under subsection 3 of section 640.818 shall be made**  
12 **upon a form furnished by the department. Such form shall include:**

13           **(1) Evidence that the person applying for the rebate is the lessee of the alternative**  
14 **fuel vehicle;**

15           **(2) A signed statement that the evidence of lessee status and all other**  
16 **representations in the application are made under oath or affirmation and are true and**  
17 **correct to the best knowledge and belief of the person applying, subject to the penalties of**  
18 **making a false affidavit or declaration;**

19           **(3) Any other information the board deems necessary to determine eligibility for**  
20 **rebate under subsection 3 of section 640.818.**

21           **3. An application for a rebate under subsection 4 of section 640.818 shall be made**  
22 **upon a form furnished by the department. Such form shall include:**

23           **(1) Evidence of the person's purchase of alternative fuel, including copies of or**  
24 **original fuel receipts;**

25           **(2) A signed statement that the evidence of purchase of alternative fuel and all other**  
26 **representations in the application are made under oath or affirmation and are true and**  
27 **correct to the best knowledge and belief of the person applying, subject to the penalties of**  
28 **making a false affidavit or declaration;**

29           **(3) Any other information the board deems necessary to determine eligibility for**  
30 **rebate under subsection 4 of section 640.818.**

**640.824. 1. The department shall promulgate rules necessary for the**  
2 **administration of sections 640.800 to 640.824 and necessary to aid the board in its functions**  
3 **under sections 640.800 to 640.824.**

4           **2. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**  
5 **that is created under the authority delegated in this section shall become effective only if**  
6 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**  
7 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**  
8 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**  
9 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**  
10 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
11 **adopted after August 28, 2006, shall be invalid and void.**

**640.827. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

2           **(1) The provisions of the new program authorized under sections 640.800 to**  
3 **640.824 shall automatically sunset six years after the effective date of sections 640.800 to**  
4 **640.824 unless reauthorized by an act of the general assembly; and**

5           **(2) If such program is reauthorized, the program authorized under sections 640.800**  
6 **to 640.824 shall automatically sunset twelve years after the effective date of the**  
7 **reauthorization of sections 640.800 to 640.824; and**

8           **(3) This section shall terminate on September first of the calendar year immediately**  
9 **following the calendar year in which the program authorized under sections 640.800 to**  
10 **640.824 is sunset.**

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