

LEGISLATIVE BILL 581

Approved by the Governor May 29, 2015

Introduced by Nordquist, 7; Mello, 5.

A BILL FOR AN ACT relating to motor fuels; to adopt the Nebraska Clean-burning Motor Fuel Development Act.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 4 of this act shall be known and may be cited as the Nebraska Clean-burning Motor Fuel Development Act.

Sec. 2. For purposes of the Nebraska Clean-burning Motor Fuel Development Act:

(1) Flex-fuel dispenser means a fuel dispenser that is certified by the manufacturer for use with ethanol blended fuels containing at least fifteen percent by volume ethanol;

(2) Motor vehicle means a motor vehicle originally designed by the manufacturer to operate lawfully and principally on highways, roads, and streets;

(3) Qualified clean-burning motor vehicle fuel means a hydrogen fuel cell, compressed natural gas, liquefied natural gas, liquefied petroleum gas, or gasoline containing at least fifteen percent by volume ethanol; and

(4) Qualified clean-burning motor vehicle fuel property means:

(a) New equipment that:

(i) Is installed:

(A) By a certified installer;

(B) On a motor vehicle registered pursuant to the Motor Vehicle Registration Act; and

(C) To convert a motor vehicle propelled by gasoline or diesel fuel to be propelled by a qualified clean-burning motor vehicle fuel;

(ii) Is approved by the United States Environmental Protection Agency under 40 C.F.R. part 85, subpart F, and 40 C.F.R. part 86, subpart S, as such subparts existed on January 1, 2015; and

(iii) Has not been used to modify or retrofit any other motor vehicle propelled by gasoline or diesel fuel;

(b) The portion of the basis of a motor vehicle that was originally equipped to be propelled by a qualified clean-burning motor vehicle fuel that is attributable to the:

(i) Storage of the qualified clean-burning motor vehicle fuel;

(ii) Delivery of the qualified clean-burning motor vehicle fuel to the motor vehicle's engine; and

(iii) Exhaust of gases from the combustion of the qualified clean-burning motor vehicle fuel; or

(c) New property that:

(i) Is directly related to the dispensing of ethanol-blended fuels containing at least fifteen percent by volume ethanol or the compression and delivery of natural gas from a private home or residence for noncommercial purposes into the fuel tank of a motor vehicle propelled by compressed natural gas; and

(ii) Has not been previously installed or used at another location to refuel motor vehicles powered by natural gas.

Sec. 3. (1) The State Energy Office shall offer a rebate for qualified clean-burning motor vehicle fuel property.

(2)(a) The rebate for qualified clean-burning motor vehicle fuel property as defined in subdivisions (4)(a) and (b) of section 2 of this act is the lesser of fifty percent of the cost of the qualified clean-burning motor vehicle fuel property or four thousand five hundred dollars for each motor vehicle.

(b) A qualified clean-burning motor vehicle fuel property is not eligible for a rebate under this section if the person or entity applying for the rebate has claimed another rebate or grant for the same motor vehicle under any other state rebate or grant program.

(3) The rebate for qualified clean-burning motor vehicle fuel property as defined in subdivision (4)(c) of section 2 of this act is the lesser of fifty percent of the cost of the qualified clean-burning motor vehicle fuel property or two thousand five hundred dollars for each qualified clean-burning motor vehicle fuel property.

Sec. 4. (1) The Clean-burning Motor Fuel Development Fund is created. The fund shall consist of grants, private contributions, and all other sources.

(2) The fund shall be used by the State Energy Office to provide rebates under the Nebraska Clean-burning Motor Fuel Development Act up to the amount transferred under subsection (3) of this section. No more than thirty-five percent of the fund annually shall be used as rebates for flex-fuel dispensers and conversions of motor vehicles to allow the use of gasoline containing at least fifteen percent by volume ethanol.

(3) Within five days after the effective date of this act, the State Treasurer shall transfer five hundred thousand dollars from the General Fund to the Clean-burning Motor Fuel Development Fund to carry out the Nebraska Clean-

burning Motor Fuel Development Act.

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.