



## States' Biofuels Statutes

### STATE OF ILLINOIS

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.*

*Current through the 2013 Legislative Session of the Illinois General Assembly.*

#### **120/30. Rebate and grant program**

##### § 30. Rebate and grant program.

(a) 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 item (3) of this subsection. 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.

(1) A conversion cost rebate may be issued to an owner or his or her designee in order to reduce the cost of converting a conventional vehicle or a hybrid vehicle to an alternate fuel vehicle. Conversion of a conventional vehicle or a hybrid 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 within 12 months after the month in which the conversion of the vehicle took place. 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.

(2) 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 within 12 months after the month in which the new OEM vehicle or engine was purchased.

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.

(3) 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.

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

(c) Through fiscal year 2013, the Agency may make grants to one or more car sharing organizations located and operating in Illinois for the purchase of new electric vehicles from an Illinois car dealership. A grant may not exceed 25% of the total project cost, including vehicles and supporting infrastructure.

(1) Once in each fiscal year, a car sharing organization may submit a grant proposal to the Agency. The information in the proposal shall, at a minimum, consist of the following:

(A) the name, address, and locations of the car sharing organization and its operations within Illinois;

(B) a description of the car sharing organization, including the number and types of vehicles currently in the fleet and how the vehicles are strategically located to maximize their usage along with a summary of the demographic populations being served;

(C) a summary of average miles per year driven by the vehicles currently in the fleet;

(D) a narrative description of the project, including the overall plans of the organization in acquiring electric vehicles, the makes and models and the number of electric vehicles that will be acquired by the funding, estimated purchase costs for each vehicle, how the vehicles will be refueled, and whether the refueling locations are available to the public or other entities, are private facilities solely used by the organization, or a combination of both; and

(E) a detailed project budget, including the costs of vehicles and supporting infrastructure.

(2) The Agency may award grants and set grant amounts, provided that the total amount of the grants does not exceed the Agency's estimate of the amount of the annual appropriation remaining after all rebates have been submitted and processed.

(3) In deciding whether to award a grant, the Agency shall consider the overall level of environmental benefits to be realized by the proposed project.

(4) Grant funds may only be used for purchasing electric vehicles, and shall not exceed 25% of the actual project expenditures. A vehicle purchased using grant funds is not eligible for any rebate authorized by this Section. The grant shall provide funding only for the base Manufacturer's Suggested Retail Price (MSRP) of the vehicle and its electric motors and drivetrain system as depicted on the window sticker or similar documents, and is not to include add-on options such as cabin-related product or component upgrades and extended warranties.

(5) Within one year after the date of the grant award, the grantee shall submit a final report to the Agency. If there are grant funds unspent at that time, the remaining money shall be returned to the Agency. The report shall include the following information:

(A) the make, model, and model year of each vehicle;

(B) the dates of vehicle purchases;

(C) the vehicle identification number (VIN);

(D) the license plate number and the state of registration;

(E) a copy of each vehicle's window sticker or similar document showing the base MSRP and all options;

(F) proof of payment and purchase invoices for the vehicles showing the Illinois car dealership where the vehicles were purchased; and

(G) a complete financial report for the project.

(6) Vehicles purchased with grant funds must remain registered and in service with the grantee in Illinois for a minimum of 5 years after purchase. If a vehicle is sold or otherwise taken out of service in Illinois earlier than that time, then the grantee shall refund to the Agency a prorated amount of the grant funds used to purchase that vehicle, except if a vehicle is replaced with a comparable vehicle or can no longer be safely operated due to an accident or other damage.

**Credits:** P.A. 89-410, § 30, eff. Nov. 17, 1995. Amended by P.A. 90-726, § 5, eff. Aug. 7, 1998; P.A. 92-858, § 5, eff. Jan. 3, 2003; P.A. 94-62, § 5, eff. June 20, 2005; P.A. 94-1079, § 10, eff. June 1, 2007; P.A. 96-537, § 15, eff. Aug. 14, 2009; P.A. 96-1278, § 5, eff. July 26, 2010; P.A. 97-90, § 5, eff. July 11, 2011.