



States' Biofuels Statutes

STATE OF PENNSYLVANIA

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](#).

Current through the 2014 Legislative Session of the Pennsylvania State Legislature.

§ 1647.3. Alternative Fuels Incentive Fund

(a) Establishment.--There is hereby established a separate account in the State Treasury to be known as the Alternative Fuels Incentive Fund. This fund shall be administered by the department. The fund shall consist of that portion of revenues allocated from the utilities gross receipts tax as set forth in section 5.¹

(b) Expenditures.--

(1) Moneys from the fund shall be expended by the department:

(i) As grants to school districts, municipal authorities, political subdivisions, nonprofit entities, corporations, limited liability companies or partnerships incorporated or registered in this Commonwealth to provide funding for:

(A) The expenses relative to retrofitting vehicles to operate on alternative fuels as either a bi-fuel, dual-fuel, hybrid or dedicated vehicle.

(B) The incremental cost of purchase of bi-fuel, dual-fuel, hybrid or dedicated vehicles.

(C) The cost to purchase and install the necessary fleet refueling or home-refueling equipment for bi-fuel, dual-fuel, hybrid or dedicated vehicles.

(D) The cost to perform research, training development and demonstration of new applications or next-phase technology related to alternative fuel vehicles.

(ii) As grants to individual residents of this Commonwealth who purchase an alternative fuel vehicle for the cost to purchase and install the necessary home refueling equipment for bi-fuel, dual-fuel, hybrid or dedicated vehicles.

(iii) As grants to school districts, municipal authorities, political subdivisions and nonprofit entities to cover the incremental cost to purchase biofuel.

(iv) As rebates to residents of this Commonwealth to meet the incremental cost to individuals who

purchase a bi-fuel, dual-fuel, hybrid or dedicated vehicle.

(2) Moneys from the fund may be expended by the department as reimbursement of up to 10¢ per gallon in a calendar year for up to 12,500,000 gallons of renewable fuels produced by a qualified renewable fuels producer.

(3) One year after the effective date of this act and for every year thereafter, the amount of funding by the department under this subsection shall be evaluated to determine whether an adjustment in funding level is appropriate. The evaluation criteria shall be based on economic and regulatory conditions that affect the feasibility of alternative fuels and the financial solvency of the fund. At no time shall the grant or rebate funding amount be below the amounts specified in this section.

(4) No more than 1.5% of the fund may be used to administer the provisions of this act.

(4.1) No more than 0.5% of the fund may be used to educate and do outreach to car dealers and consumers about this program.

(5) No more than 10% of the fund may be awarded to any one school district, municipal authority, political subdivision, nonprofit entity, corporation, limited liability company, partnership or resident of this Commonwealth in any one year, provided that the total amount of grants awarded and rebates provided to grant and rebate recipients within a political subdivision in a year shall not exceed 15% of the fund. However, if the total grant and rebate money to be awarded in that year is less than the total grant money available for that year, the department may increase the 10% and 15% funding levels established under this paragraph not to exceed 40% of the fund.

(6) Beginning fiscal year 2008-2009, through and including fiscal year 2010-2011, the department may expend up to \$100,000 annually from the fund for a nitrogen tire inflation grant program. The department may award matching grants of up to 50% of the costs of purchasing and installing a nitrogen tire inflation system to automotive service providers who sell tires in this Commonwealth. Individual grants may not exceed \$5,000 per nitrogen tire inflation system. The department shall publish guidelines as necessary to implement the provisions of this subsection and maintain a registry of all grant recipients on the department's publicly accessible World Wide Web site.

(c) Grant program.--The department shall establish a formula and method for the awarding of grants under the program. The department also shall establish a method by which grant applications will be prioritized according to, but not limited to, the following goals and criteria:

(1) The improvement of this Commonwealth's air quality.

(2) The fulfillment of the Commonwealth's responsibilities under the Clean Air Act (69 Stat. 322, [42 U.S.C. § 7401 et seq.](#)).

(3) The protection of this Commonwealth's natural environment, including land, water and wildlife.

(4) The advancement of economic development in this Commonwealth and the promotion of this Commonwealth's indigenous resources.

(5) The reduction of this Commonwealth's dependence on imported crude oil and other petroleum products.

(6) The most cost-effective use of private and public funding.

(7) The transfer and commercialization of innovative alternative energy technologies.

(d) Rebate program.--There is hereby established a rebate program within the department for individuals residing in this Commonwealth who purchase a hybrid, plug-in hybrid or other alternative fuel vehicle as follows:

(1) The department shall establish a formula and method for the awarding of rebates under this program. The department shall publish this information yearly in the Pennsylvania Bulletin and may also publish this information on the department's World Wide Web site. Rebates shall be provided to the extent that funding is available for this purpose. To the extent that applications for rebates exceed the available funds for this program, the department may award rebates on a pro rata basis.

(2) A request for a rebate must be submitted to the department no later than six months after the purchase date of the hybrid, plug-in hybrid or other alternative fuel vehicle, in a form and manner prescribed by the department. The department shall provide an application form to an individual upon request, and the department may make the application form on its World Wide Web site or through the place of purchase of a hybrid, plug-in hybrid or other alternative fuel vehicle.

(3) Applicants shall provide a copy of a valid Pennsylvania vehicle registration and proof of purchase when making a request for a rebate under this program.

Credits 2004, Nov. 29, P.L. 1376, No. 178, § 3, imd. effective. Amended 2008, July 10, P.L. 1891, No. 2 (Spec. Sess. No. 1), § 2, effective in 60 days [Sept. 8, 2008].