

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 278*

Short Title: Alternative Fuel Loan Fund.

(Public)

Sponsors: Representatives Brawley, Bowen, McLaughlin, and Robinson.

Referred to: Transportation, if favorable, Appropriations.

February 23, 1995

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE ALTERNATIVE TRANSPORTATION FUEL LOAN FUND TO PROVIDE LOANS TO UNITS OF LOCAL GOVERNMENT IN ORDER TO PROMOTE THE USE OF ALTERNATIVE FUELS FOR VEHICLES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 113B of the General Statutes is amended by adding a new Article to read:

"ARTICLE 3.

"ALTERNATIVE TRANSPORTATION FUEL LOAN FUND.

"§ 113B-30. Findings; purpose.

(a) The General Assembly finds that:

- (1) Congress enacted the Energy Policy Act of 1992 (EPACT) for the purpose of reducing our nation's dependence on foreign oil.
- (2) Congress enacted the Clean Air Act Amendments of 1990 (CAAA) for the purpose of improving air quality.
- (3) Under EPACT, federal, state, local government, and certain private fleet owners that operate fleets of light duty vehicles within metropolitan areas will be required to purchase increasing numbers of alternative fueled vehicles (AFVs) in accordance with a prescribed schedule that begins in and extends 1993 through the year 2006.

- 1 (4) Under EPACT, a fleet consists of at least 20 vehicles that are primarily
2 used in a metropolitan area (population of 250,000 or more in 1980) that
3 are centrally fueled or capable of being centrally fueled and that are
4 owned or operated by a person that has 50 or more vehicles nationwide.
5 (5) Under CAAA, public and private fleet owners operating in metropolitan
6 areas that are in severe nonattainment of either ambient ozone or carbon
7 monoxide will be held to certain purchase requirements for clean fuel
8 vehicles, beginning in 1998.
9 (6) Units of local government in North Carolina will encounter their first
10 mandates pursuant to these federal acts in 1999 when, under EPACT,
11 twenty percent (20%) of their purchases of new light-duty vehicles for
12 certain public fleets must consist of AFVs.
13 (7) By 2002, under EPACT, thirty percent (30%) of a local government's
14 purchases of new light-duty vehicles for fleets are required to be AFVs;
15 by 2003, forty percent (40%); by 2004, fifty percent (50%); by 2005,
16 sixty percent (60%); and by 2006, seventy percent (70%).
17 (8) It is in the best interest of the nation and the State to reduce its reliance
18 on imported oil and to promote the use of alternative fueled vehicles and
19 the construction of an alternative fuel infrastructure to serve these
20 vehicles.
21 (9) The State should take a leadership role by encouraging units of local
22 government to use alternative fuels in vehicles by providing loans to
23 units of local government to be used to purchase alternative fueled
24 vehicles and to expand alternative fuel infrastructure.
25 (10) The establishment of a revolving loan fund will provide incentives to
26 units of local government to purchase alternative fueled vehicles, to
27 convert conventional fuel vehicles to operate on alternative fuels, and to
28 construct alternative fuel refueling facilities.

29 (b) The purpose of this Article is to facilitate and encourage construction of
30 alternative transportation fueling infrastructure and the purchase of alternative fueled
31 vehicles by units of local government by establishing a revolving loan fund to assist in
32 financing such endeavors. This fund will enable units of local government to obtain low-
33 interest loans to use for these purposes.

34 **"§ 113B-31. Definitions. As used in this Article:**

- 35 (1) 'Alternative fuel' has the meaning provided in EPACT.
36 (2) 'Alternative fueled vehicle' (AFV) has the meaning provided in EPACT.
37 (3) 'Department' means the Department of Commerce.
38 (4) 'EPACT' means the Energy Policy Act of 1992, 42 U.S.C. § 13201, et
39 seq.
40 (5) 'Incremental cost' has the meaning provided in EPACT.

41 **"§ 113B-32. Alternative Transportation Fuel Loan Fund.**

42 (a) The Alternative Transportation Fuel Loan Fund is established in the
43 Department of Commerce. The Fund is to be administered by the Department as a

1 revolving fund. The Department shall be responsible for receipt and disbursement of all
2 moneys in the Fund. The Fund shall be invested in the same manner as permitted for
3 investments of funds belonging to the State or held by the State Treasurer. Interest
4 earnings shall be credited to the Fund.

5 (b) The Alternative Transportation Fuel Loan Fund shall consist of:

6 (1) All funds appropriated or accruing to the Fund.

7 (2) Contributions and grants from public or private sources.

8 (3) Payments on loans made from the Fund.

9 **"§ 113B-33. Use of moneys in the Alternative Transportation Fuel Loan Fund.**

10 (a) All moneys in the Alternative Transportation Fuel Loan Fund shall be used for
11 low-interest loans to units of local government to provide:

12 (1) Up to fifty percent (50%) of the capital cost of constructing an
13 alternative fuel refueling or recharging facility that refuels or recharges
14 vehicles with an alternative fuel.

15 (2) The incremental cost of alternative fueled vehicles for those alternative
16 fueled vehicles that are purchased in order to satisfy the mandates of
17 EPACT.

18 (3) The cost, including the cost of labor, of converting conventional
19 vehicles to alternative fueled vehicles for those vehicles that are
20 converted in order to satisfy the mandates of EPACT.

21 (b) A loan to a unit of local government under this Article for an alternative fuel
22 refueling or recharging facility shall be for a term not to exceed the number of years
23 equal to seventy-five percent (75%) of the projected useful life of the facility. A loan to a
24 unit of local government under this Article for alternative fueled vehicles shall be for a
25 term not to exceed four years.

26 (c) The Department shall adopt rules establishing an application process; standards
27 for eligibility for loans; criteria and priorities that form a basis for selecting applicants to
28 receive loans; conditions and terms of repayment; any procedures needed to administer
29 this Article in accordance with its purpose; and any other rule needed to implement this
30 Article.

31 (d) Beginning on October 1, 1996, and annually thereafter, the Department shall
32 report to the Joint Legislative Commission on Governmental Operations. This report
33 shall include:

34 (1) Identification of each recipient of a loan during the preceding fiscal
35 year, the amount of each loan, the use of the loan moneys by the
36 recipient unit, and other terms of each loan.

37 (2) The amounts repaid to the Fund during the preceding fiscal year, by
38 recipient.

39 (3) A summary for the preceding five years of the total number of loans
40 made, the total funds committed, and the amounts repaid to the Fund.

41 (4) Assessment and evaluation of the impact of the loan program and its
42 success in accomplishing the purposes of this Article."

1 Sec. 2. There is appropriated from the General Fund to the Department of
2 Commerce the sum of one million dollars (\$1,000,000) for the 1995-96 fiscal year for the
3 Alternative Transportations Fuel Loan Fund created in Section 1 of this act.

4 Sec. 3. Section 2 of this act becomes effective July 1, 1995. The remainder of
5 this act is effective upon ratification.