

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 581**

Introduced by Nordquist, 7.

Read first time January 21, 2015

Committee: Natural Resources

- 1 A BILL FOR AN ACT relating to motor fuels; to adopt the Nebraska Clean-
- 2 burning Motor Fuel Development Act; to provide powers and duties of
- 3 the State Energy Office; and to create a fund.
- 4 Be it enacted by the people of the State of Nebraska,

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

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

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

8           (2) Qualified clean-burning motor vehicle fuel means a hydrogen fuel  
9 cell, compressed natural gas, liquefied natural gas, or liquefied  
10 petroleum gas; and

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

12           (a) New equipment that:

13           (i) Is installed:

14           (A) By a certified mechanic;

15           (B) On a motor vehicle with a model year of 2012 or later; and

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

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

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

23           (b) The portion of the basis of a motor vehicle with a model year of  
24 2012 or later that was originally equipped to be propelled by a qualified  
25 clean-burning motor vehicle fuel that is attributable to the:

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

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

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

31           (c) New property that:

1        (i) Is directly related to the compression and delivery of natural  
2 gas from a private home or residence for noncommercial purposes into the  
3 fuel tank of a motor vehicle propelled by compressed natural gas; and

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

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

8        (b)(1) The rebate for qualified clean-burning motor vehicle fuel  
9 property as defined in subdivision (3)(a) and (b) of section 2 of this  
10 act is the lesser of fifty percent of the cost of the qualified clean-  
11 burning motor vehicle fuel property or four thousand five hundred dollars  
12 for each motor vehicle.

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

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

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

25        (2) The fund shall be used by the State Energy Office to provide  
26 rebates and incentives under the Nebraska Clean-burning Motor Fuel  
27 Development Act.

28        (3) It is the intent of the Legislature to appropriate one million  
29 dollars for fiscal year FY2015-16 from the General Fund to carry out the  
30 purpose of the fund.

31        (4) Any money in the fund available for investment shall be invested

1 by the state investment officer pursuant to the Nebraska Capital  
2 Expansion Act and the Nebraska State Funds Investment Act.