

Regular Session, 2012

HOUSE BILL NO. 1213 (Substitute for House Bill No. 664 by Representative Ortego)

BY REPRESENTATIVE ORTEGO

PROCUREMENT: Provides with respect to the purchase of bi-fuel vehicles for the state fleet

1 AN ACT

2 To amend and reenact R.S. 39:364, relative to motor vehicles used by state agencies; to
3 provide for the purchase or lease of vehicles which use certain bi-fuels; to provide
4 for the types of vehicles; to provide for the use of certain funds administered by the
5 Department of Natural Resources; to provide for an effective date; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:364 is hereby amended and reenacted to read as follows:

9 §364. Purchase or lease of fleet vehicles; use of ~~alternative fuel~~ bi-fuel vehicles and
10 ~~hybrid vehicles~~; exceptions

11 A.(1) The commissioner of administration shall not purchase or lease any
12 motor vehicle for use by any state agency unless that vehicle is capable of and
13 equipped for using ~~an alternative fuel that results in lower emissions of oxides of~~
14 ~~nitrogen, volatile organic compounds, carbon monoxide, or particulates or any~~
15 ~~combination thereof that meet or exceed federal Clean Air Act standards, including~~
16 ~~but not limited to hybrid vehicles. Alternative fuels shall include compressed natural~~
17 ~~gas, liquefied petroleum gas, reformulated gasoline, methanol, ethanol, advanced~~
18 ~~biofuel, electricity, and any other fuels which meet or exceed federal Clean Air Act~~
19 ~~standards~~ bi-fuels. For the purpose of this Section, "bi-fuel" shall mean either

1 gasoline plus liquified petroleum gas, gasoline plus compressed natural gas, or
2 gasoline plus advanced bio-fuel.

3 ~~(2) For the purposes of this Section, "hybrid vehicle" shall mean a vehicle~~
4 ~~that employs a combustion engine system together with an electric propulsion system~~
5 ~~that results in lower emissions of oxides of nitrogen, volatile organic compounds,~~
6 ~~carbon monoxide, or particulates or any combination thereof that meet or exceed~~
7 ~~federal Clean Air Act standards.~~

8 ~~(3) A state agency may acquire or be provided equipment or refueling~~
9 ~~facilities necessary to operate such alternate fuel or hybrid vehicles by any of the~~
10 ~~following methods:~~

11 ~~(a) Purchase or lease as authorized by law provided that the state shall~~
12 ~~recoup its actual costs, including finance charges, through reduced costs of operating~~
13 ~~such vehicles within forty-eight months of the purchase or lease.~~

14 ~~(b) Gift or loan of the equipment or facilities.~~

15 ~~(c) Gift or loan of the equipment or facilities or other arrangement pursuant~~
16 ~~to a service contract for the supply of alternative fuels.~~

17 ~~(4)~~ (2) The commissioner may waive the requirements of this Subsection for
18 any state agency upon receipt of certification supported by evidence acceptable to
19 the commissioner that either of the following situations applies:

20 (a) The agency's vehicles will be operating primarily in an area ~~in which~~
21 ~~neither the agency nor a supplier has or can reasonably be expected to establish a~~
22 ~~central refueling station for alternative fuel or hybrid vehicles~~ that is not within a
23 twenty-five mile radius of an available liquified petroleum gas, compressed natural
24 gas, or advanced bio-fuel refueling facility.

25 ~~(b) The agency is unable to acquire or be provided equipment or refueling~~
26 ~~facilities necessary to operate alternate fuel or hybrid vehicles at a projected cost that~~
27 ~~is reasonably expected to result in no greater net costs than the continued use of~~
28 ~~traditional gasoline or diesel fuels measured over the expected useful life of the~~
29 ~~equipment or facilities supplied.~~

1 **(b) A state agency is not able to recoup the portion of the purchase or lease**
2 **which is the difference between the cost of a new vehicle which is bi-fuel capable**
3 **and the estimated cost of a vehicle with similar vehicle specifications which is not**
4 **bi-fuel capable through reduced costs of operating such vehicle within sixty months**
5 **of the purchase or lease.**

6 ~~(5) A governmental body, state educational institution, or instrumentality of~~
7 ~~the state that performs essential governmental functions on a statewide or local basis~~
8 ~~is entitled to purchase E20, E30, or E85 advanced biofuel directly from a qualified~~
9 ~~small advanced biofuel manufacturing facility at a price equal to fifteen percent less~~
10 ~~per gallon than the price of unleaded gasoline for use in any motor vehicle. The~~
11 ~~price of unleaded gasoline will be the prevailing average price for the locality on the~~
12 ~~date of purchase.~~

13 **B. A state agency may acquire or be provided equipment or refueling**
14 **facilities necessary to operate such bi-fuel vehicles by any of the following methods:**

15 **(1) Purchase or lease as authorized by law, provided that the state shall**
16 **recoup its actual costs, including finance charges, through reduced costs of operating**
17 **such vehicles within forty-eight months of the purchase or lease.**

18 **(2) Gift or loan of the equipment or facilities.**

19 **(3) Gift or loan of the equipment or facilities or other arrangement pursuant**
20 **to a service contract for the supply of bi-fuels.**

21 **C. A state agency may use monies from the Alternative Fuel Revolving Loan**
22 **Fund or the Flex Fund Revolving Loan Program which are available for such**
23 **purpose as is provided for in this Section to pay the difference between the cost of**
24 **a vehicle which is bi-fuel capable and the estimated cost of a vehicle with similar**
25 **vehicle specifications which is not bi-fuel capable.**

26 ~~B: D.~~ **The provisions of this Section shall apply to any vehicles operated by**
27 **law enforcement agencies or used as emergency vehicles but only to the extent**
28 **deemed feasible after consultations and considerations of this Section** ~~provided in~~
29 ~~Subsection A~~ **and a proper determination made thereon as to the feasibility thereof.**

- 1 ~~€~~ E. The Joint Legislative Committee on the Budget shall exercise oversight
2 over the implementation of the provisions of this Section.
3 Section 2. This Act shall become effective on October 1, 2012.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ortego

HB No. 1213

Abstract: Changes the types of alternative fuel vehicles to be used by state agencies to bi-fuel vehicles.

Present law requires that motor vehicles leased or purchased for use by state agencies be capable of using alternative fuels or be hybrid vehicles.

Present law defines "alternative fuel" to mean compressed natural gas, liquefied petroleum gas, reformulated gasoline, methanol, ethanol, advanced biofuel, electricity, and any other fuels which meet or exceed federal Clean Air Act standards.

Proposed law changes present law by limiting the vehicles which may be purchased or leased by the state to those which are capable of and equipped for using bi-fuel. As used in proposed law, bi-fuel means either gasoline plus liquified petroleum gas or gasoline plus compressed natural gas, or gasoline plus advanced bio-fuel.

Present law provides that the commissioner may waive the requirements of present law for any state agency upon receipt of certification supported by evidence acceptable to the commissioner that either of the following situations applies:

- (1) The agency's vehicles will be operating primarily in an area in which neither the agency nor a supplier has or can reasonably be expected to establish a central refueling station for alternative fuel or hybrid vehicles.
- (2) The agency is unable to acquire or be provided equipment or refueling facilities necessary to operate alternate fuel or hybrid vehicles at a projected cost that is reasonably expected to result in no greater net costs than the continued use of traditional gasoline or diesel fuels measured over the expected useful life of the equipment or facilities supplied.

Proposed law changes present law to provide that the commissioner may waiver requirement of purchase of the vehicle if:

- (1) The agency's vehicles will be operating primarily in an area that is not within a 25 mile radius of an available liquified petroleum gas, compressed natural gas, or advanced bio-fuel refueling facility.
- (2) The state agency is not able to recoup the portion of the purchase or lease which is the difference between the cost of a new vehicle which is bi-fuel capable and the estimated cost of a vehicle with similar vehicle specifications which is not bi-fuel capable through reduced costs of operating such vehicle within 60 months of the purchase or lease.

Present law provides for the purchase of advanced biofuel directly from a qualified small advanced biofuel manufacturing facility at a price equal to 15% less per gallon than the price of unleaded gasoline for use in any motor vehicle.

Proposed law deletes present law.

Proposed law provides that a state agency may use monies from the Alternative Fuel Revolving Loan Fund or the Flex Fund Revolving Loan Program which are available for such purpose to pay the difference between the cost of a vehicle which is dual-fuel capable and the estimated cost of a vehicle with similar vehicle specifications which is not bi-fuel capable.

Effective Oct. 1, 2012.

(Amends R.S. 39:364)