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A bill to be entitled

An act relating to motor vehicles; defining the term "alternative fuel"; providing for an alternative-fuel-use permit and alternative-fuel decal to be issued by the Department of Revenue for a fee; providing for tax and fee exemptions; authorizing noneconomic incentives for alternative-fuel vehicles; providing an effective date.

WHEREAS, motor vehicles powered by alternative fuels advance economic activity, promote energy security, and improve air quality, and

WHEREAS, there is a need to establish how many alternative-fuel vehicles are operational in the state, and

WHEREAS, the issuance and display of a decal on all alternative-fuel vehicles will enable the state to establish how many alternative-fuel vehicles are operational and will help identify those vehicles whose owners or operators are entitled to benefits for using alternative fuels, and

WHEREAS, the provision of economic and noneconomic incentives to use alternative fuels is critical to the successful development of a sustainable market for alternative-fuel vehicles, and

WHEREAS, the temporary waiver of taxes on alternative fuels used in motor vehicles will be a significant incentive to use alternative-fuel vehicles, and

WHEREAS, insignificant revenue is being raised on taxes on alternative fuels used in motor vehicles, and therefore the temporary waiver of those taxes will not cause significant

losses of current revenue and will provide the opportunity for significant increases in revenue in the future, and

WHEREAS, this waiver should remain in effect long enough to develop a sustainable market for alternative-fuel vehicles, and

WHEREAS, local governments and state agencies should be encouraged to adopt noneconomic incentives for using alternative-fuel vehicles, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. As used in this act, the term "alternative fuel" means methanol, denatured ethanol, and other alcohols; mixtures of gasoline or other fuels which contain 85 percent or more by volume of methanol, denatured ethanol, and other alcohols; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels, other than alcohol, derived from biological material; and electricity.

Section 2. An owner or operator of a vehicle powered by alternative fuel may register for an alternative-fuel-use permit and alternative-fuel decal from the Department of Revenue after payment of a \$10 administrative fee and thereby become exempt from all taxes and fees imposed by section 206.877, Florida Statutes. An application for this permit must show whether the vehicle is dedicated, flexible-fueled, or dual-fueled.

Section 3. The registration of an alternative-fuel vehicle and the issuance of the alternative-fuel decal by the Department of Revenue exempts an owner or operator from the payment of the tax on sales of special fuels under part II of chapter 212, Florida Statutes, the excise tax on fuel and

other pollutants under part IV of chapter 206, Florida Statutes, and the local option fuel taxes under sections 2 336.021, 336.025, and 336.026, Florida Statutes, on 3 alternative fuel when used as a motor fuel. 4 Section 4. The exemption from taxes and fees provided 5 6 in sections 2 and 3 remains in effect until October 1, 2002, 7 or until a total of 15,000 alternative-fuel decals has been 8 issued in a 12-month period by the Department of Revenue. Section 5. (1) The registration of an 9 10 alternative-fuel vehicle and the issuance of the alternative-fuel decal by the Department of Revenue allows the 11 12 owner or operator to be eligible for any adopted local, state, 13 or federal incentives for using alternative-fuel vehicles. (2) Local governments and state agencies are 14 15 encouraged to develop noneconomic incentives for using alternative-fuel vehicles, which incentives may include, but 16 17 are not limited to, exemptions from restrictions on using 18 high-occupancy-vehicle lanes for alternative-fuel vehicles, 19 toll holidays for alternative-fuel vehicles not otherwise 20 restricted, public-parking-fee abatement for alternative-fuel 21 vehicles, and preferential or designated parking for 22 alternative-fuel vehicles. 23 (3) Any private owner or operator of an alternative fuel vehicle who does not register for the alternative-fuel 24 25 decal is ineligible for such noneconomic incentives. 26 Section 6. This act shall take effect October 1, 1997. 27 2.8 29 30

\*\*\*\*\*\*\*\*\*\* SENATE SUMMARY Defines alternative fuel and authorizes tax and fee exemptions and noneconomic incentives for the owner or operator of a motor vehicle that has received an alternative-fuel-use permit and decal. Authorizes the Department of Revenue to issue an alternative-fuel-use permit and decal for an administrative fee of \$10.