

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 2292

5 By: Representative Harrelson
6
7

For An Act To Be Entitled

9 AN ACT TO SUPPLY ARKANSAS FEEDSTOCK TO RENEWABLE
10 FUEL MANUFACTURING FACILITIES OPERATING IN
11 ARKANSAS; TO ENCOURAGE THE USE OF ARKANSAS
12 HARVESTED CROPS IN THE PRODUCTION OF RENEWABLE
13 FUELS IN ARKANSAS; TO REQUIRE OPERATORS OF
14 RENEWABLE FUEL MANUFACTURING FACILITIES TO
15 PROVIDE NOTICE OF OPERATION AND CONTACT
16 INFORMATION FOR THE PURCHASE OF ARKANSAS
17 FEEDSTOCK; TO REQUIRE THE COLLECTION AND
18 DISSEMINATION OF INFORMATION REGARDING THE
19 PURCHASES OF ARKANSAS FEEDSTOCK IN THE
20 MANUFACTURE OF RENEWABLE FUELS; TO REQUIRE THE
21 COLLECTION AND DISSEMINATION OF INFORMATION
22 REGARDING THE SALES OF RENEWABLE FUELS BY
23 ARKANSAS MANUFACTURERS; TO PROVIDE FOR RELATED
24 MATTERS; AND FOR OTHER PURPOSES.

Subtitle

26 AN ACT TO SUPPLY ARKANSAS FEEDSTOCK TO
27 RENEWABLE FUEL MANUFACTURING FACILITIES
28 OPERATING IN ARKANSAS AND TO ENCOURAGE
29 THE USE OF ARKANSAS HARVESTED CROPS IN
30 THE PRODUCTION OF RENEWABLE FUELS IN
31 ARKANSAS.
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35 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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1 SECTION 1. Arkansas Code Title 15, Chapter 10 is amended to add an
2 additional subchapter to read as follows:

3 SUBCHAPTER 8. The Arkansas Renewable Fuels Production Accountability
4 Act.

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6 15-10-801. Title.

7 This subchapter shall be known and may be cited as the "Arkansas
8 Renewable Fuels Production Accountability Act".

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10 15-10-802. Findings – Purpose.

11 (a) The General Assembly finds that:

12 (1) The production of renewable fuels in Arkansas derived from
13 Arkansas feedstock is vital to the health of the agricultural economy of
14 Arkansas;

15 (2) The use of renewable domestic fuels such as ethanol and
16 biodiesel will increase available supplies of motor fuels without increasing
17 dependency on foreign oil;

18 (3) The construction and operation of facilities manufacturing
19 renewable fuels will serve as an economic boost to many rural areas of this
20 state; and

21 (4) Assuring that the optimal use of Arkansas grown crops in the
22 manufacturing of renewable fuels by facilities located in Arkansas will
23 provide a deeper, broader, and longer-lasting benefit to the state’s economy
24 and is a matter of public policy.

25 (b) The purpose of this subchapter is to:

26 (1) Ensure that Arkansas farmers have the opportunity to have
27 Arkansas-harvested crops purchased as feedstock by operators of renewable
28 fuels manufacturing facilities in Arkansas by requiring the collection and
29 reporting of information regarding the operation of the facilities; and

30 (2) Provide for the certification of the facilities for certain
31 programs provided by this state.

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33 15-10-803. Definition.

34 As used in this subchapter, "renewable fuels manufacturing facility"
35 means a facility that produces ethanol, biodiesel, or other fuel additives
36 and that is required to register with the United States Environmental

1 Protection Agency under 40 C.F.R. Part 79.

2
3 15-10-804. Purchase of feedstock by operators of renewable fuels
4 manufacturing facilities.

5 (a)(1) Beginning July 1, 2008, renewable fuels manufacturing
6 facilities operating in Arkansas and deriving ethanol from the distillation
7 of corn shall use as feedstock at least twenty percent (20%) of the corn crop
8 harvested in Arkansas.

9 (2) In succeeding years, the minimum percentage of Arkansas
10 harvested corn used to produce renewable fuels in Arkansas renewable fuels
11 manufacturing facilities shall be at least the same percentage of corn used
12 nationally to produce renewable fuels as reported by the Office of the Chief
13 Economist of the United States Department of Agriculture.

14 (b)(1) Beginning July 1, 2008, renewable fuels manufacturing
15 facilities operating in Arkansas and deriving biodiesel from soybeans and
16 other crops shall use as feedstock at least two and one-half percent (2.5%)
17 of the soybean crop harvested in Arkansas.

18 (2) In succeeding years, the minimum percentage of Arkansas
19 harvested soybeans used to produce renewable fuels in Arkansas renewable
20 fuels manufacturing facilities shall be the percentage of soybeans used
21 nationally to produce renewable fuels as reported by the Office of the Chief
22 Economist of the United States Department of Agriculture.

23 (c) As additional crops are used in the production of renewable fuels
24 at renewable fuels manufacturing facilities in Arkansas, there shall be a
25 presumption that renewable fuel manufacturing facilities operating in
26 Arkansas shall use Arkansas harvested crops in a percentage rate at least
27 equal to the percentage of the crops' use nationally in the production of
28 renewable fuel as reported by the United States Department of Agriculture's
29 Office of the Chief Economist.

30 (d)(1) This section shall not be effective until six (6) months after
31 the average wholesale price of a gallon of Arkansas-manufactured ethanol,
32 less any federal alcohol fuel mixture tax credit, is equal to or lower than
33 the average wholesale price of a gallon of regular unleaded gasoline in
34 Arkansas for a period of not less than sixty (60) days, as determined by the
35 Secretary of the Arkansas Agriculture Department.

36 (2) The secretary shall gather pricing information to be used in

1 making the determination required by this section.

2 (3) In gathering the pricing information, the secretary shall
3 rely upon sales in Arkansas and shall use recognized information services,
4 including without limitation the Oil Price Information Service.

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6 15-10-805. Notice requirements – Annual report.

7 (a)(1) To improve dissemination of information regarding supply needs
8 of renewable fuels manufacturing facilities operating in Arkansas and to
9 ensure that Arkansas farmers are adequately and timely informed about the
10 feedstock needs of facilities, the operators of each renewable fuels
11 manufacturing facility shall provide notice to the Secretary of the Arkansas
12 Agriculture Department, at least one hundred eighty (180) days before the
13 start of commercial operation of the renewable fuels manufacturing facility.

14 (2) The notice required under subsection (a)(1) of this section
15 shall include the following information:

16 (A) The anticipated production level for the facility’s
17 first twelve (12) months of operation;

18 (B) The amount and type of feedstock anticipated to be
19 necessary to meet production levels for the first twelve (12) months of
20 operation;

21 (C) The location where the feedstock originated if already
22 secured; and

23 (D) The steps taken to obtain feedstock from Arkansas
24 harvested crops; and

25 (E) An itemized list of the federal, state, and local
26 grants, loans or incentive program benefits obtained by the facility for the
27 construction or operation of the renewable fuels manufacturing facility.

28 (b) By December 31 of each calendar year, each renewable fuels re
29 manufacturing facility operating in this state shall provide notice to the
30 secretary the anticipated production levels and specific feedstock
31 requirements for the next calendar year so that Arkansas farmers will be able
32 to adjust the crops they intend to plant and harvest during the upcoming
33 growing season.

34 (c)(1) Each renewable fuels manufacturing facility operating in
35 Arkansas shall provide an annual report to the secretary certifying that the
36 renewable fuels manufacturing facility has purchased all of the competitively

1 priced Arkansas feedstock available during the year's operations.

2 (2) The report required under subdivision (c)(1) of this
3 section, shall include:

4 (A) The production levels for the previous twelve (12)
5 months;

6 (B) The amount and type of feedstock used to achieve the
7 production levels;

8 (C) The location from where the feedstock originated; and

9 (D) The steps taken to obtain Arkansas-harvested
10 feedstock; and

11
12 (E) An itemized list of the financial benefits the
13 renewable fuels manufacturing facility has received from the state.

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15 15-10-806. Rules.

16 The State Plant Board, in consultation with the Secretary of the
17 Arkansas Agriculture Department, shall promulgate rules regarding documenting
18 the information supplied by the renewable fuels manufacturing facilities
19 under this subchapter.

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