

State of Arkansas  
86th General Assembly  
Regular Session, 2007

# A Bill

HOUSE BILL 2366

By: Representative Schulte

## For An Act To Be Entitled

AN ACT TO ENACT THE PROMOTION OF BIOFUELS ACT; TO REQUIRE STATE AGENCIES TO DEVELOP AND IMPLEMENT POLICIES REQUIRING THE USE OF BIOFUELS; TO REQUIRE STATE AGENCIES TO ACQUIRE ALTERNATIVELY FUELED VEHICLES; TO REQUIRE THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO CONDUCT A STUDY AND MAKE A REPORT TO THE LEGISLATIVE COUNCIL; AND FOR OTHER PURPOSES.

## Subtitle

TO ENACT THE PROMOTION OF BIOFUELS ACT THAT REQUIRES STATE AGENCIES TO IMPLEMENT BIOFUEL USE POLICIES AND TO ACQUIRE ALTERNATIVELY FUELED VEHICLES AND REQUIRES THE DEPARTMENT OF ECONOMIC DEVELOPMENT TO MAKE A REPORT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 22 is amended to add an additional subchapter to read as follows:

22-8-301. Title.

This subchapter shall be known and may be cited as the "Promotion of Biofuels Act".

22-8-302. Definitions.

As used in this subchapter:



1           (1) "Alternative fuels" means biofuels or ethanol;

2           (2)(A) "Biofuel" means a renewable, biodegradable, combustible  
3 liquid fuel derived from biomass that can be used as transportation fuel,  
4 combustion fuel, or refinery feedstock and that meets the American Society  
5 for Testing and Materials Specification and federal quality requirements as  
6 in effect on February 1, 2007, for each category or grade of fuel.

7           (B) "Biofuel" includes without limitation:

8                   (i) Biodiesel or renewable diesel;  
9                   (ii) Renewable gasoline;  
10                  (iii) Renewable jet fuel;  
11                  (iv) Renewable naptha;  
12                  (v) Biocrude; and  
13                  (vi) Other renewable, biodegradable, mono alkyl  
14 ester combustible fuel derived from biomass;

15           (3)(A) "Biomass" means any matter derived from plants or animals  
16 that is used for the production of alternative fuels.

17           (B) "Biomass" includes residues or byproducts from:

18                   (i) Agricultural production;  
19                   (ii) Agricultural processing;  
20                   (iii) Forest or wood resources;  
21                   (iv) Forestry or wood production; or  
22                   (v) Forestry or wood processing.

23           (C) "Biomass" includes plant material from crops that are  
24 produced for use in the production of alternative fuels and cellulosic  
25 biomass.

26           (D) "Biomass" does not include recycled petroleum oil;

27           (4) "Ethanol" means ethyl alcohol derived from biomass that:

28                   (A) Meets the American Society for Testing and Materials  
29 Specification D4806-04a for ethanol as in effect on January 1, 2007; and

30                   (B) Is denatured as specified in 27 C.F.R. Part 20 and  
31 Part 21 as in effect on January 1, 2007;

32           (5) "State agency" means any department, office, board,  
33 commission, or institution of the State of Arkansas; and

34           (6) "State agency fleet" means fifteen (15) or more motor  
35 vehicles or light trucks operated by a state agency;

1       22-8-303. Use of biofuels by a state agency.

2       (a) A state agency shall use a minimum of two percent (2%) blend  
3 biodiesel in the operation of its diesel-powered motor vehicles and light  
4 trucks.

5       (b)(1) Each state agency that acquires or leases motor vehicles or  
6 light trucks shall develop and implement an agency policy that requires the  
7 use of alternative fuels if:

8               (A) The agency motor vehicle or light truck is capable of  
9 operating on an alternative fuel;

10              (B) The alternative fuel is available within a reasonable  
11 distance for refueling; and

12              (C)(i) The alternative fuel is commercially available.

13                      (ii) The alternative fuel is presumed to be  
14 commercially available if its incremental cost is not more than twenty-five  
15 cents (25¢) per gallon above that of gasoline.

16       (2) The head of a state agency may suspend the agency policy on  
17 alternative fuel use if he or she determines that alternative fuel is not  
18 available at an affordable cost by comparison to the cost of gasoline.

19  
20       22-8-304. Procurement of alternative fuel vehicles.

21       (a)(1) In conjunction with acquiring or leasing motor vehicles and  
22 light trucks, each state agency in consultation with the State Procurement  
23 Director shall develop and implement a plan that will replace its state  
24 agency fleet with alternative fueled vehicles no later than June 30, 2012.

25       (2) The compliance date in subdivision (a)(1) of this section  
26 may be extended for a state agency if the head of the state agency determines  
27 that:

28               (A) An alternative-fueled vehicle is not available at a  
29 reasonable cost by comparison to a conventional vehicle;

30               (B) An alternative-fueled vehicle is not reasonably  
31 capable of performing the use for which it is intended to be used by the  
32 state agency;

33               (C) The cost of operating and maintaining an alternative-  
34 fueled vehicle is unreasonable after considering the state agency's budget  
35 and comparing the cost of operating and maintaining a conventional vehicle;  
36 or

1                   (D) An emergency or exigent circumstance exists that  
 2 justifies a suspension of the requirements in subdivision (a)(1) of this  
 3 section.

4           (b)(1) By January 30 of each year, each state agency shall provide the  
 5 State Procurement Director a report evaluating the progress of its plan  
 6 toward achieving the goal set in subdivision (a)(1) of this section.

7                   (2) The report shall include:

8                   (A) Any extension granted under subdivision (a)(2) of this  
 9 section;

10                  (B) The percentage of motor vehicles and light trucks that  
 11 operate on gasoline or alternative fuel;

12                  (C) An evaluation of the plan's success; and

13                  (D) Suggestions for modifying the plan.

14           (c) By March 1 of each year, the State Procurement Director shall  
 15 submit to the Legislative Council a report that:

16                  (1) Consolidates the reports of the state agencies under  
 17 subdivision (b)(1) of this section;

18                  (2) Compares the results with the previous year; and

19                  (3) Makes recommendations to improve the acquisition of  
 20 alternative fueled vehicles by state agencies.

21  
 22           15-8-305. Department of Economic Development study.

23           (a) Each state agency and the State Procurement Director shall  
 24 cooperate with the Department of Economic Development to study ways to  
 25 strengthen the state's use of biofuels.

26           (b)(1) Beginning July 1, 2008, the Department of Economic Development  
 27 shall submit an annual report of the results of the study required under  
 28 subsection (a) of this section to the Legislative Council.

29                  (2) The report shall include suggestions and recommendations  
 30 for:

31                  (A) Improving state policy development under § 15-8-303;

32                  (B) Improving reporting under § 15-8-304;

33                  (A) Modifying current gasoline storage facilities for  
 34 ethanol storage use;

35                  (C) Establishing state-operated biodiesel and state-  
 36 operated ethanol refueling stations for the use of state agency fleets;

1                   (D) Increasing the availability of biofuels through  
2 infrastructure improvements;

3                   (E) Encouraging the use of biofuels and the purchase of  
4 alternative fueled vehicles through incentive programs;

5                   (H) Identifying opportunities to partner with the private  
6 sector to promote the use of biofuels and the acquisition of alternative-  
7 fueled vehicles; and

8                   (J) Facilitating the development and use of biofuels  
9 through any other means.