

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 2722

5 By: Representatives Sullivan, Petrus
6 By: Senator R. Thompson
7

For An Act To Be Entitled

10 AN ACT TO DEVELOP THE ALTERNATIVE FUELS INDUSTRY
11 IN ARKANSAS BY ESTABLISHING GOALS FOR THE
12 PRODUCTION OF ALTERNATIVE FUELS, STANDARDS FOR
13 THE PERCENTAGE OF ALTERNATIVE FUELS IN THE DIESEL
14 FUEL USED IN MOTOR VEHICLES, AND STANDARDS FOR
15 QUALITY OF ALTERNATIVE FUELS; AND FOR OTHER
16 PURPOSES.

Subtitle

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19 TO DEVELOP THE ALTERNATIVE FUELS
20 INDUSTRY IN ARKANSAS BY ESTABLISHING
21 GOALS FOR THE PRODUCTION OF AND
22 STANDARDS FOR ALTERNATIVE FUELS USED IN
23 MOTOR VEHICLES.
24

25
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code Title 15 is amended to add an additional
29 chapter to read as follows:

30 15-13-101. Title.

31 This chapter shall be known and may be cited as the "Arkansas
32 Alternative Fuels Development Act".
33

34 15-13-102. Definitions.

35 As used in this subchapter:

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



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

32 (5) "Other renewable resources" means any material that can be
33 recycled, regenerated, reclaimed, or reused.

34
35 15-13-103. Alternative fuels production goals.

36 The per annum goal for alternative fuels production at production

1 facilities in the state is:

2 (1) Fifty million gallons (50,000,000 gal.) for the year ending
3 December 31, 2007;

4 (2) Eighty-five million gallons (85,000,000 gal.) for the year
5 ending December 31, 2008;

6 (3) One hundred million gallons (100,000,000 gal.) for the year
7 ending December 31, 2009;

8 (4) One hundred fifty million gallons (150,000,000 gal.) for the
9 year ending December 31, 2010; and

10 (5) Two hundred million gallons (200,000,000 gal.) for the year
11 ending December 31, 2011, and subsequent years.

12
13 15-13-104. Alternative fuels standard.

14 A distributor licensed under the Special Motor Fuels Tax Law, § 26-56-
15 101 et seq., shall provide evidence to the Secretary of the Arkansas
16 Agriculture Department that all diesel fuel sold or offered for sale in
17 Arkansas for use in internal combustion engines contains at least two percent
18 (2%) alternative fuels by volume that is compatible with diesel beginning on
19 July 1, 2008, and subject to:

20 (1) A change made by the secretary under § 15-13-105;

21 (2) The quality determinations and testing under § 15-13-106;

22 and

23 (3) A finding by the secretary that the alternative fuels
24 production goals under § 15-13-103 have been met.

25
26 15-13-105. Reduction or suspension of the alternative fuels standard.

27 (a)(1) The Secretary of the Arkansas Agriculture Department in
28 conjunction with the Chief Fiscal Officer of the State shall determine the
29 annual baseline percentage of alternative fuels produced in the state that is
30 compatible with petroleum diesel blending by dividing the annual gallonage
31 production of alternative fuels in the state that is compatible with
32 petroleum diesel blending into the gallonage amount of special distillate
33 fuel that was sold in the state under the Special Motor Fuels Tax Law, § 26-
34 56-101 et seq.

35 (2) The Secretary of the Arkansas Agriculture Department shall
36 report his or her determinations under this section to the Legislative

1 Council on or before December 15 of each year.

2 (b) The Secretary of the Arkansas Agriculture Department may reduce or
 3 suspend the enforcement of the alternative fuels standard under § 15-13-104
 4 by rule if the secretary finds that the annual baseline percentage of
 5 alternative fuels produced in the state that is compatible with petroleum
 6 diesel blending is less than the total of the alternative fuels standard
 7 under § 15-13-104 plus six percent (6%).

8 (c)(1) Except as provided under subsection (d) of this section, the
 9 secretary shall publish notice that sets forth the proposed rule or a concise
 10 summary of the proposed rule to change the alternative fuels standard under §
 11 15-13-104 for three (3) consecutive days in a newspaper of general
 12 circulation in the state.

13 (2) The rule shall not be effective until thirty (30) days after
 14 the first publication of the notice.

15 (d) If the secretary finds that imminent peril to the public health,
 16 safety, or welfare or compliance with federal laws or regulations requires
 17 the adoption of a rule to reduce or suspend the enforcement of the
 18 alternative fuels standard under § 15-13-104, then the secretary may adopt an
 19 emergency rule under this section as provided under § 25-15-204(b).

20
 21 15-13-106. Quality determinations and testing.

22 (a) The Arkansas Bureau of Standards of the State Plant Board shall
 23 make the determination that alternative fuels used in this state:

24 (1) Are useable in motor vehicles;

25 (2) Meet the specifications for biofuel and ethanol as provided
 26 under § 15-13-102; and

27 (3) Undergo quality assurance testing to ensure fuel quality and
 28 continued consumer confidence in alternative fuels.

29 (b) The Director of the Arkansas Bureau of Standards may:

30 (1) Establish a fuel testing laboratory;

31 (2) Contract with a laboratory for testing;

32 (3) Adopt rules on false and misleading advertising, labeling,
 33 and posting of prices; and

34 (4) Adopt the standards for alternative fuels.

35
 36 15-13-107. Notice to consumers.

1 (a)(1) A fuel pump that offers a blend of alternative fuels that
2 contains more than five percent (5%) but not more than twenty percent (20%)
3 biofuel by volume shall be identified by a label stating, "This fuel product
4 may contain up to twenty percent (20%) biofuel".

5 (2) A fuel pump that offers a blend of alternative fuels that
6 contains five percent (5%) or less of biofuel by volume is exempt from the
7 labeling requirements of this section.

8 (b)(1) A fuel pump that offers a blend of alternative fuels that
9 contains no more than ten percent (10%) ethanol by volume shall be identified
10 by a label stating, "This fuel product may contain up to ten percent (10%)
11 ethanol".

12 (2) A fuel pump that offers a blend of alternative fuels that
13 contains more than ten percent (10%) of ethanol by volume shall be labeled
14 with a capital "E" followed by the volume percent of ethanol and ending with
15 the word "Ethanol".

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17 15-13-108. Exemption.

18 This subchapter shall not apply to fuel that is purchased and used by
19 railroads for off-road use.

20
21 15-13-109. Rules.

22 The Secretary of the Arkansas Agriculture Department shall promulgate
23 rules to provide for the administration of this subchapter.

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