

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

As Engrossed: S2/8/07

A Bill

SENATE BILL 237

5 By: Senators R. Thompson, J. Jeffress, G. Jeffress, Broadway
6 By: Representatives Sullivan, Thyer, Petrus, Wells, Abernathy, Allen, Berry, Blount, Cooper, Cornwell,
7 L. Cowling, Dickinson, Dunn, L. Evans, Everett, Garner, Gaskill, Kenney, Kidd, Lovell, Lowery,
8 Maxwell, Medley, Patterson, Ragland, Saunders, *L. Smith*
9
10

For An Act To Be Entitled

11 AN ACT TO DEVELOP THE ALTERNATIVE FUELS INDUSTRY
12 IN ARKANSAS BY ESTABLISHING GOALS FOR THE
13 PRODUCTION OF ALTERNATIVE FUELS, STANDARDS FOR
14 THE PERCENTAGE OF ALTERNATIVE FUELS IN THE DIESEL
15 FUEL USED IN MOTOR VEHICLES, AND STANDARDS FOR
16 QUALITY OF ALTERNATIVE FUELS; AND FOR OTHER
17 PURPOSES.
18

Subtitle

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.
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27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
29

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

32 15-13-101. Title.

33 This chapter shall be known and may be cited as the "Arkansas
34 Alternative Fuels Development Act".
35

36 15-13-102. Definitions.



1 As used in this subchapter:

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

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

8 (B) "Biofuel" includes without limitation:

9 (i) Biodiesel or renewable diesel;

10 (ii) Renewable gasoline;

11 (iii) Renewable jet fuel;

12 (iv) Renewable naptha;

13 (v) Biocrude; and

14 (vi) Other renewable, biodegradable, mono alkyl
15 ester combustible fuel derived from biomass.

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

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

19 (i) Agricultural production;

20 (ii) Agricultural processing;

21 (iii) Forest or wood resources;

22 (iv) Forestry or wood production; or

23 (v) Forestry or wood processing.

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

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

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

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

31 (B) Is denatured as specified in 27 C.F.R. Part 20 and Part
32 21 as in effect on January 1, 2007.

33
34 15-13-103. Alternative fuels production goals.

35 The per annum goal for alternative fuels production at production
36 facilities in the state is:

- 1 (1) Fifty million gallons (50,000,000 gal.) in 2007;
2 (2) Eighty-five million gallons (85,000,000 gal.) in 2008;
3 (3) One hundred million gallons (100,000,000 gal.) in 2009;
4 (4) One hundred fifty million gallons (150,000,000 gal.) in
5 2010; and
6 (5) Two hundred million gallons (200,000,000 gal.) in 2011 and
7 subsequent years.

8
9 15-13-104. Biofuel standard.

10 (a) A distributor licensed under the Special Motor Fuels Tax Law, §
11 26-56-101 et seq., shall provide evidence to the Secretary of the Arkansas
12 Agriculture Department that all diesel fuel sold or offered for sale in
13 Arkansas for use in internal combustion engines contains at least two percent
14 (2%) biofuel by volume that is compatible with diesel beginning on July 1,
15 2008, and subject to:

- 16 (1) A change made by the secretary under § 15-13-105;
17 (2) The quality determinations and testing under § 15-13-106;

18 and

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

21 (b) A distributor licensed under the Special Motor Fuels Tax Law, §
22 26-56-101 et seq., shall provide evidence to the Secretary of the Arkansas
23 Agriculture Department that all diesel fuel sold or offered for sale in
24 Arkansas for use in internal combustion engines contains at least five
25 percent (5%) biodiesel fuel by volume beginning on July 1, 2009, subject to:

- 26 (1) A change made by the secretary under § 15-13-105;
27 (2) The quality determinations and testing under § 15-13-106;

28 and

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

31
32 15-13-105. Change in the biofuel standard.

33 (a) If the Secretary of the Arkansas Agriculture Department determines
34 that the availability of biofuel produced from feedstock grown in Arkansas
35 cannot satisfy the current requirement, the secretary may reduce the biofuel
36 standard under § 15-13-104 by rule to a standard that the secretary

1 determines can be satisfied by feedstock grown in Arkansas or remove the
2 standard by rule if the standard becomes unreasonable due to economic
3 circumstances.

4 (b)(1) The secretary shall publish notice that sets forth the proposed
5 rule or a concise summary of the proposed rule to change the *biofuel* standard
6 under § 15-13-104 for three (3) consecutive days in a newspaper of general
7 circulation in the state.

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

10
11 15-13-106. Quality determinations and testing.

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

14 (1) Are useable in motor vehicles;

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

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

19 (b) The director of the Arkansas Bureau of Standards may:

20 (1) Establish a fuel testing laboratory;

21 (2) Contract with a laboratory for testing;

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

24 (4) Adopt the standards for alternative fuels.

25
26 15-13-107. Notice to consumers.

27 A fuel pump that offers alternative fuels shall be identified by a
28 label stating the percentage of *biofuel* or ethanol in the fuel mixture.

29
30 15-13-108. Rules.

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

33
34 /s/ R. Thompson