

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 87th General Assembly
3 Regular Session, 2009
4

A Bill

HOUSE BILL 2002

5 By: Representative Maxwell
6
7

For An Act To Be Entitled

9 AN ACT TO ADD A DEFINITION FOR "SYNTHETIC
10 TRANSPORTATION FUEL"; TO AMEND THE DEFINITIONS OF
11 "ALTERNATIVE FUELS" AND "BIOMASS"; TO INCREASE
12 THE INCENTIVES FOR AN ALTERNATIVE FUELS PRODUCER,
13 A FEEDSTOCK PROCESSOR, AND AN ALTERNATIVE FUELS
14 DISTRIBUTOR; AND FOR OTHER PURPOSES.
15

Subtitle

16 TO ADD A DEFINITION FOR "SYNTHETIC
17 TRANSPORTATION FUEL", TO AMEND THE
18 DEFINITIONS OF "ALTERNATIVE FUELS" AND
19 "BIOMASS", AND TO INCREASE THE
20 INCENTIVES IN THE ARKANSAS ALTERNATIVE
21 FUELS DEVELOPMENT ACT.
22
23
24

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

27 SECTION 1. Arkansas Code § 15-13-102 is amended to read as follows:

28 As used in this chapter:

29 (1) "Alternative fuels" means biofuel, ~~or ethanol,~~ compressed
30 natural gas, or a synthetic transportation fuel;

31 ~~(2)(3)~~ (3) "Alternative fuels distributor" means a business located
32 in the State of Arkansas that distributes alternative fuels or alternative
33 fuels mixture;

34 ~~(3)(4)~~ (4) "Alternative fuels mixture" means a mixture of alternative
35 fuels that is:

36 (A) An undyed, clear distillate special fuel that is



1 suitable for use in motor vehicles on Arkansas highways;

2 (B) A dyed fuel for off-road use;

3 (C) Sold by the supplier producing alternative fuels
4 mixture to any person for use as a fuel; or

5 (D) Used as a fuel by the supplier producing the
6 alternative fuels mixture;

7 ~~(4)~~(5) “Alternative fuels producer” means a business located in
8 Arkansas that uses biomass or other renewable resources excluding recycled
9 petroleum oils to manufacture alternative fuels;

10 ~~(5)~~(A)~~(6)~~(A) “Biofuel” means a renewable, biodegradable,
11 combustible liquid fuel derived from biomass or other renewable resources
12 that can be used as transportation fuel, combustion fuel, or refinery
13 feedstock and that meets the American Society for Testing and Materials
14 Specification and federal quality requirements as in effect on February 1,
15 2007, for each category or grade of fuel.

16 (B) “Biofuel” includes without limitation:

- 17 (i) Biodiesel or renewable diesel;
- 18 (ii) Renewable gasoline;
- 19 (iii) Renewable jet fuel;
- 20 (iv) Renewable naphtha;
- 21 (v) Biocrude; and
- 22 (vi) Other renewable, biodegradable, mono alkyl
23 ester combustible fuel derived from biomass;

24 ~~(6)~~(A)~~(7)~~(A) “Biomass” means any matter derived from plants or
25 animals that is used for the production of alternative fuels.

26 (B) “Biomass” includes residues or byproducts from:

- 27 (i) Agricultural production;
- 28 (ii) Agricultural processing;
- 29 (iii) Algae;
- 30 ~~(iii)~~(iv) Forest or wood resources;
- 31 ~~(iv)~~(v) Forestry or wood production; or
- 32 ~~(v)~~(vi) Forestry or wood processing.

33 (C) “Biomass” includes plant material from crops that are
34 produced for use in the production of alternative fuels and cellulosic
35 biomass.

36 (D) “Biomass” does not include recycled petroleum oil;

~~(7)~~(8) "Ethanol" means ethyl alcohol derived from biomass that:

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

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

~~(8)~~(9) "Feedstock processor" means a business located in Arkansas that uses biomass or other renewable resources excluding recycled petroleum oils to manufacture feedstock to be used in the production of alternative fuels;

~~(9)~~(10) "Other renewable resources" means any material that can be recycled, regenerated, reclaimed, or reused; ~~and~~

~~(10)~~(11) "State agency" means any office, board, commission, department, council, bureau, or other entity created by the General Assembly; and

(12) "Synthetic transportation fuel" means a liquid fuel produced from biomass by a gasification process or other refining process that meets any applicable state or federal environmental requirement.

SECTION 2. Arkansas Code § 15-13-302(f)(1), concerning the production incentive for an alternate fuels producer, is amended to read as follows:

(f)(1) The secretary shall make cash payments to an alternative fuels producer that qualifies as a grant recipient under this section in an amount not to exceed ~~twenty cents (20¢)~~ thirty-five cents (35¢) per gallon of alternative fuels produced

SECTION 3. Arkansas Code § 15-13-302(g)(1), concerning the production incentive for an alternate fuels producer, is amended to read as follows:

(g)(1) The department shall not award a grant in an amount that exceeds ~~two million dollars (\$2,000,000)~~ three million dollars (\$3,000,000) to any one (1) alternative fuels producer in any one (1) fiscal year.

SECTION 4. Arkansas Code § 15-13-303(d)(1), concerning the production incentive for a feedstock processor, is amended to read as follows:

(d)(1) The department shall not award a grant in an amount that exceeds ~~two million dollars (\$2,000,000)~~ three million dollars (\$3,000,000) or fifty percent (50%) of the project cost, whichever is less, to any one (1)

1 feedstock processor in any one (1) fiscal year.

2
3 SECTION 5. Arkansas Code § 15-13-304(d), concerning distribution
4 incentives for alternative fuels distributors, is amended to read as follows:

5 (d) The department shall not award a grant in an amount that exceeds
6 ~~fifty thousand dollars (\$50,000)~~ three hundred thousand dollars (\$300,000) or
7 fifty percent (50%) of the project cost, whichever is less, to any one (1)
8 alternative fuels distributor at each alternative fuels distributor site in
9 any one (1) fiscal year.

10
11 SECTION 6. Arkansas Code § 15-13-305 is amended to read as follows:
12 15-13-305. Rules.

13 After consulting the Arkansas Energy Office, the ~~The~~ Arkansas
14 Agriculture Department shall promulgate rules to implement and administer
15 this subchapter.

16
17 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the
18 General Assembly of the State of Arkansas that conventional fossil fuel
19 supplies are constrained; that alternative energy sources are needed to
20 increase alternative energy supplies; and that this act is immediately
21 necessary because the development of alternative fuels will mitigate price
22 increases and assist this state's economic recovery. Therefore, an emergency
23 is declared to exist and this act being immediately necessary for the
24 preservation of the public peace, health, and safety shall become effective
25 on:

26 (1) The date of its approval by the Governor;

27 (2) If the bill is neither approved nor vetoed by the Governor,
28 the expiration of the period of time during which the Governor may veto the
29 bill; or

30 (3) If the bill is vetoed by the Governor and the veto is
31 overridden, the date the last house overrides the veto.