

HB 1068 -- Renewable Fuels

Sponsor: Hobbs

This bill changes the laws regarding renewable fuels. In its main provisions, the bill:

(1) Requires the Department of Agriculture to issue a determination upon finding that the price of biodiesel or biodiesel-blended fuel has on average been equal to or less than conventional diesel fuel for one year. Beginning June 1, 2011, or 120 days after the department's price determination, whichever is the later, all diesel fuel sold at retail in Missouri must be a biodiesel-blended fuel. Beginning May 1, 2011, or 90 days after the department's price determination, whichever is later, fuel terminals in Missouri that sell diesel fuel must sell biodiesel, conventional diesel, and biodiesel-blended fuel that contains 5% biodiesel by volume;

(2) Allows a terminal to sell biodiesel-blended fuel that contains more than 5% biodiesel by volume if notification requirements comply with the department's rules;

(3) Allows distributors to purchase unblended gasoline at a terminal and blend it with ethanol to comply with the fuel ethanol content requirements;

(4) Exempts distributors and retailers from the biodiesel-blend fuel content requirement if the cost of biodiesel-blended fuel is more expensive than conventional diesel fuel. Distributors may blend diesel fuel with biodiesel to make 5% biodiesel-blended fuel;

(5) Requires position holders, suppliers, distributors, and retailers to provide certain sales and price information to the departments of Agriculture and Revenue upon request and requires the departments to keep all sales and price information confidential and not disclosed except by court order or as otherwise provided by law;

(6) Exempts diesel fuel sold to or used by railroad on-track equipment and diesel fuel sold to or used by motors located at an electric generation plant regulated by the federal Nuclear Regulatory Commission from the content requirement as well as additional uses that the Director of the Department of Agriculture may exempt;

(7) Allows the Governor, by executive order, to waive the fuel ethanol or biodiesel-blended fuel requirements for any reason;

(8) Requires biodiesel producers to meet the requirements of an accredited producer in the BQ-9000 Program of the National Biodiesel Accreditation Commission. Producers not meeting this standard may be subject to a penalty of up to \$10,000 per violation and may be subject to a cease and desist order;

(9) Requires the department to develop standards for cold temperature operability properties of biodiesel and authorizes the department to enforce these standards beginning January 1, 2011; and

(10) Allows the department to annually contract with the Food and Agricultural Policy Research Institute at the University of Missouri to study the effect of biodiesel and fuel ethanol production on the prices of fuel and food. The results must be annually submitted by the department director to the General Assembly by January 15.