

A bill for an act
relating to motor fuels; modifying definition of biodiesel; increasing minimum
biodiesel content; creating tiered biodiesel content goal; appropriating money;
amending Minnesota Statutes 2006, section 239.77, as amended; Minnesota
Statutes 2007 Supplement, section 296A.01, subdivision 8a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 239.77, as amended by Laws 2007, chapter
62, sections 3 and 4, is amended to read:

239.77 BIODIESEL CONTENT MANDATE.

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable,
mono alkyl ester combustible liquid fuel that is derived from agricultural plant oils or
animal fats ~~and~~; that meets American Society For Testing and Materials specification
D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels; and that is
manufactured by a person certified by the BQ-9000 National Biodiesel Accreditation
Program.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all
diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines
must contain at least 2.0 percent the stated percentage of biodiesel fuel oil by volume
on and after the following dates:

(1)	<u>September 29, 2005</u>	<u>2 percent</u>
(2)	<u>May 1, 2009</u>	<u>5 percent</u>
(3)	<u>May 1, 2011</u>	<u>10 percent</u>
(4)	<u>May 1, 2013</u>	<u>15 percent</u>
(5)	<u>May 1, 2015</u>	<u>20 percent</u>

The minimum content in clause (5) is effective during the months of May, June, July, August, and September only. The minimum content for the remainder of the year is 15 percent.

(b) The minimum content levels in paragraph (a), clauses (3), (4), and (5), become effective on the date specified only if the commissioners of agriculture, commerce, and pollution control publish notice in the State Register, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state is equal to at least 50 percent of anticipated demand at the next minimum content level; and

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption.

(c) The commissioners of agriculture, commerce, and pollution control must consult with the biodiesel task force when assessing and certifying conditions in paragraph (b), and in general must seek the guidance of the biodiesel task force regarding biodiesel labeling, enforcement, and other related issues.

Subd. 3. **Exceptions.** (a) The minimum content ~~requirement~~ requirements of subdivision 2 ~~does~~ do not apply to fuel used in the following equipment:

(1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;

(2) railroad locomotives; and

(3) off-road taconite and copper mining equipment and machinery.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

H.F. No. 2987, 1st Engrossment - 2007-2008th Legislative Session (2007-2008)

Sec. 2. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** "Biodiesel fuel" ~~means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

Sec. 3. **PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.**

The commissioners of finance, commerce, and pollution control must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce.

Sec. 4. **APPROPRIATION.**

\$..... is appropriated in fiscal year 2009 from the general fund to the commissioner of agriculture. \$..... is for infrastructure grants to fuel terminals that serve Minnesota for cold-weather biodiesel blending. \$..... is for educational activities focused on the handling, distribution, and use of biodiesel.