

*Repealed 5/10*

APR 5 1978

HOUSE FILE 2392

Place On Calendar

BY COMMITTEE ON ENERGY

Passed House, Date 5-11-78 (p. 2050) Passed Senate, Date \_\_\_\_\_

Vote: Ayes 87 Nays 1 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act creating within the Iowa development commission a  
2 grain alcohol motor fuel program, a committee to  
3 administer the program and prescribing the duties of  
4 the committee.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

HOUSE FILE 2392

H-6421

- 1 Amend House File 2392 as follows:
- 2 1. Page 1, lines 31 and 32, by striking the words
- 3 "grain farming" and inserting in lieu thereof the
- 4 words "on the farm grain production".
- 5 2. Page 1, line 33, by striking the word "the"
- 6 and inserting in lieu thereof the words "on the farm".

H-6421 FILED  
MAY 1, 1978

*Adopted 5/10  
(p. 2050)*

BY SCHEELHAASE of Woodbury  
HARBOR of Mills

1 Section 1. Chapter twenty-eight (28), Code 1977, is amended  
2 by adding sections two (2) through six (6) of this Act.

3 Sec. 2. NEW SECTION. IOWA GRAIN ALCOHOL FUEL PROGRAM.

4 1. There is established an Iowa grain alcohol fuel pro-  
5 gram within the Iowa development commission. The purpose  
6 of the program shall be to provide an alternative source of  
7 motor fuel, create a greater demand for grain products and  
8 other carbohydrate residue, and to promote the use of products  
9 made in Iowa which are related to agriculture in order to  
10 enhance the economy of the state.

11 2. In addition to the purpose stated in this section,  
12 it shall be the policy of the Iowa grain alcohol fuel program  
13 and the duty of the grain alcohol fuel committee with the  
14 approval of the commission to consult and contract with private  
15 or public business or agencies which are engaged in the  
16 manufacture and processing of alcohol or alcohol blended pro-  
17 ducts in accordance with chapter twenty-eight E (28E) of the  
18 Code. The commission shall also encourage agencies and  
19 businesses contracting and cooperating with the state pursuant  
20 to this Act to use agricultural products grown in Iowa and  
21 other by-products made in Iowa.

22 Sec. 3. NEW SECTION. GRAIN ALCOHOL FUEL COMMITTEE.

23 1. There is established within the Iowa development commis-  
24 sion a grain alcohol fuel committee for the purpose of  
25 establishing policy for and administering the grain alcohol  
26 fuel program.

27 2. The committee shall consist of seven members who are  
28 interested in the development of grain alcohol motor fuel  
29 appointed by the commission. The committee shall include  
30 persons:

31 a. Whose major source of income is derived from grain  
32 farming.

33 b. Whose major source of income is derived from the feeding  
34 and sale of livestock.

35 c. Who are knowledgeable in the field of petroleum

1 marketing.

2 d. Who are knowledgeable in the field of agri-business.

3 e. Who are technically knowledgeable in the field of grain  
4 alcohol manufacturing.

5 f. Who are skilled in the economics of fuel and fuel  
6 resources.

7 One member of the house of representatives appointed by  
8 the speaker of the house of representatives, one member of  
9 the senate appointed by the president of the senate and one  
10 person representing the energy policy council shall serve  
11 as ex officio nonvoting members of the committee.

12 3. The grain alcohol fuel committee shall organize by  
13 electing a chairperson and a vice chairperson and may meet  
14 as necessary to administer the grain alcohol fuel program,  
15 but shall meet at least twice annually. Five members of the  
16 committee shall constitute a quorum. The meetings of the  
17 committee shall be subject to chapter twenty-eight A (28A)  
18 of the Code. The committee may adopt rules as necessary  
19 pursuant to chapter seventeen A (17A) of the Code.

20 4. Members appointed to serve on the grain alcohol fuel  
21 committee shall be compensated at the rate of forty dollars  
22 for each day of actual committee duty, and shall be reimbursed  
23 for actual expenses reasonably incurred in the performance  
24 of official committee duties. Salaries, per diem, and expenses  
25 incurred in the performance of official duties of the committee  
26 or its members shall be paid from funds appropriated to the  
27 commission by the general assembly.

28 Sec. 4. NEW SECTION. DUTIES OF COMMITTEE. The commit-  
29 tee shall:

30 1. Cooperate with private industry to develop procedures  
31 and processes necessary for the manufacture and marketing  
32 of alcohol blended fuels derived from agricultural products.

33 2. Encourage the construction of privately-owned grain  
34 alcohol manufacturing plants in the state.

35 3. Conduct an ongoing study on the grain alcohol motor

- 1 fuel industry which shall include but shall not be limited  
2 to development, examination and analysis of:
- 3 a. Marketing techniques necessary to insure the accep-  
4 tance of alcohol blended fuels and other by-products.
  - 5 b. Procedures for the introduction of alcohol blended  
6 fuels into the market.
  - 7 c. The effects of the grain alcohol motor fuel industry  
8 on the livestock market.
  - 9 d. The effects of the grain alcohol motor fuel industry  
10 on the grain market.
  - 11 e. Possible uses of alcohol other than in automotive-type  
12 engines which will reduce dependence on petroleum as an energy  
13 source.
  - 14 f. The comparison of alcohol blended fuels and solar,  
15 wind, biomass and other alternative forms of energy in terms  
16 of economics and energy conservation.
  - 17 g. Financial incentives, including tax incentives, that  
18 might be necessary to promote alcohol blended fuels.
  - 19 h. The allied beneficial aspects of using grain alcohol  
20 for fuel, including employment opportunities.
  - 21 i. Any allied negative impacts including any negative  
22 impacts of grain fuel production on grain prices and the grain  
23 market and an assessment of the energy efficiency of grain  
24 alcohol motor fuel production.
  - 25 j. The compatability of alcohol blended fuels in exist-  
26 ing vehicles and given current regulations.
  - 27 k. Health, safety and toxicity considerations which would  
28 arise from commercialization.
  - 29 l. The benefits and problems associated with farm-scale  
30 production.
  - 31 m. Transportation problems and solutions.
  - 32 n. A comparison of farm-scale versus commercial production.
- 33 The initial report of the study required by this section  
34 shall be submitted to the governor and the general assembly  
35 not later than January 15, 1980 and shall be revised annually

1 thereafter.

2 4. Establish and maintain contacts with other states,  
3 government agencies, and educational institutions to obtain  
4 current information on efforts across the nation regarding  
5 alcohol blended fuels.

6 5. Provide upon request technical and available financial  
7 assistance to persons interested in farm-scale grain alcohol  
8 production.

9 6. Develop a public information program to inform the  
10 public concerning the manufacture, use and advantages of grain  
11 alcohol motor fuel.

12 7. Recommend legislation to the general assembly to  
13 encourage the development of a grain alcohol motor fuel in-  
14 dustry in Iowa.

15 8. Conduct conferences and seminars on grain alcohol motor  
16 fuel.

17 9. Compile and maintain information on funding oppor-  
18 tunities, including loan guarantee programs, for commercial  
19 and farm-scale plants.

20 Sec. 5. NEW SECTION. REPORT. The committee shall pre-  
21 pare an annual report on the grain alcohol motor fuel program  
22 which shall be submitted by the commission to the governor  
23 and the general assembly not later than January fifteenth  
24 of each year commencing in 1980. The report shall detail  
25 the activities of the committee and shall include the report  
26 on the study required by subsection three (3) of section four  
27 (4) of this Act.

28 Sec. 6. NEW SECTION. This Act is repealed July 1, 1983.

29 EXPLANATION

30 This bill establishes an Iowa grain alcohol fuel program  
31 under the jurisdiction of the Iowa development commission.  
32 The purpose of the program is to provide an alternative source  
33 of motor fuel, create a greater demand for grain products  
34 and other carbohydrate residue, and to further utilize and  
35 promote the use of products made in Iowa which are related

1 to agriculture in order to enhance the agricultural economy  
2 of the state.

3 The bill establishes an Iowa grain alcohol fuel committee  
4 for the purpose of establishing the policy and administration  
5 of the Iowa grain alcohol fuel program. The committee is  
6 charged with conducting a variety of activities to promote  
7 the development of alcohol blended fuels including a detailed  
8 study of the industry.

9 The Iowa development commission shall submit to the gen-  
10 ral assembly in January of each year, commencing in January  
11 of 1980, a report of the activities of the commission.

12 The Act is repealed July 1, 1983.

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

LSB 4164H

dd/jw/5

HOUSE FILE 2392

By COMMITTEE ON ENERGY

(As Amended and Passed by the House)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act creating within the Iowa development commission a  
2 grain alcohol motor fuel program, a committee to  
3 administer the program and prescribing the duties of  
4 the committee.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

House Amendments \_\_\_\_\_

1 Section 1. Chapter twenty-eight (28), Code 1977, is amended  
2 by adding sections two (2) through six (6) of this Act.

3 Sec. 2. NEW SECTION. IOWA GRAIN ALCOHOL FUEL PROGRAM.

4 1. There is established an Iowa grain alcohol fuel pro-  
5 gram within the Iowa development commission. The purpose  
6 of the program shall be to provide an alternative source of  
7 motor fuel, create a greater demand for grain products and  
8 other carbohydrate residue, and to promote the use of products  
9 made in Iowa which are related to agriculture in order to  
10 enhance the economy of the state.

11 2. In addition to the purpose stated in this section,  
12 it shall be the policy of the Iowa grain alcohol fuel program  
13 and the duty of the grain alcohol fuel committee with the  
14 approval of the commission to consult and contract with private  
15 or public business or agencies which are engaged in the  
16 manufacture and processing of alcohol or alcohol blended pro-  
17 ducts in accordance with chapter twenty-eight E (28E) of the  
18 Code. The commission shall also encourage agencies and  
19 businesses contracting and cooperating with the state pursuant  
20 to this Act to use agricultural products grown in Iowa and  
21 other by-products made in Iowa.

22 Sec. 3. NEW SECTION. GRAIN ALCOHOL FUEL COMMITTEE.

23 1. There is established within the Iowa development commis-  
24 sion a grain alcohol fuel committee for the purpose of  
25 establishing policy for and administering the grain alcohol  
26 fuel program.

27 2. The committee shall consist of seven members who are  
28 interested in the development of grain alcohol motor fuel  
29 appointed by the commission. The committee shall include  
30 persons:

31 a. Whose major source of income is derived from on the  
32 farm grain production.

33 b. Whose major source of income is derived from on the  
34 farm feeding and sale of livestock.

35 c. Who are knowledgeable in the field of petroleum

1 marketing.

2 d. Who are knowledgeable in the field of agri-business.

3 e. Who are technically knowledgeable in the field of grain  
4 alcohol manufacturing.

5 f. Who are skilled in the economics of fuel and fuel  
6 resources.

7 One member of the house of representatives appointed by  
8 the speaker of the house of representatives, one member of  
9 the senate appointed by the president of the senate and one  
10 person representing the energy policy council shall serve  
11 as ex officio nonvoting members of the committee.

12 3. The grain alcohol fuel committee shall organize by  
13 electing a chairperson and a vice chairperson and may meet  
14 as necessary to administer the grain alcohol fuel program,  
15 but shall meet at least twice annually. Five members of the  
16 committee shall constitute a quorum. The meetings of the  
17 committee shall be subject to chapter twenty-eight A (28A)  
18 of the Code. The committee may adopt rules as necessary  
19 pursuant to chapter seventeen A (17A) of the Code.

20 4. Members appointed to serve on the grain alcohol fuel  
21 committee shall be compensated at the rate of forty dollars  
22 for each day of actual committee duty, and shall be reimbursed  
23 for actual expenses reasonably incurred in the performance  
24 of official committee duties. Salaries, per diem, and expenses  
25 incurred in the performance of official duties of the committee  
26 or its members shall be paid from funds appropriated to the  
27 commission by the general assembly.

28 Sec. 4. NEW SECTION. DUTIES OF COMMITTEE. The commit-  
29 tee shall:

30 1. Cooperate with private industry to develop procedures  
31 and processes necessary for the manufacture and marketing  
32 of alcohol blended fuels derived from agricultural products.

33 2. Encourage the construction of privately-owned grain  
34 alcohol manufacturing plants in the state.

35 3. Conduct an ongoing study on the grain alcohol motor

- 1 fuel industry which shall include but shall not be limited  
2 to development, examination and analysis of:
- 3 a. Marketing techniques necessary to insure the accep-  
4 tance of alcohol blended fuels and other by-products.
- 5 b. Procedures for the introduction of alcohol blended  
6 fuels into the market.
- 7 c. The effects of the grain alcohol motor fuel industry  
8 on the livestock market.
- 9 d. The effects of the grain alcohol motor fuel industry  
10 on the grain market.
- 11 e. Possible uses of alcohol other than in automotive-type  
12 engines which will reduce dependence on petroleum as an energy  
13 source.
- 14 f. The comparison of alcohol blended fuels and solar,  
15 wind, biomass and other alternative forms of energy in terms  
16 of economics and energy conservation.
- 17 g. Financial incentives, including tax incentives, that  
18 might be necessary to promote alcohol blended fuels.
- 19 h. The allied beneficial aspects of using grain alcohol  
20 for fuel, including employment opportunities.
- 21 i. Any allied negative impacts including any negative  
22 impacts of grain fuel production on grain prices and the grain  
23 market and an assessment of the energy efficiency of grain  
24 alcohol motor fuel production.
- 25 j. The compatability of alcohol blended fuels in exist-  
26 ing vehicles and given current regulations.
- 27 k. Health, safety and toxicity considerations which would  
28 arise from commercialization.
- 29 l. The benefits and problems associated with farm-scale  
30 production.
- 31 m. Transportation problems and solutions.
- 32 n. A comparison of farm-scale versus commercial production.  
33 The initial report of the study required by this section  
34 shall be submitted to the governor and the general assembly  
35 not later than January 15, 1980 and shall be revised annually

1 thereafter.

2 4. Establish and maintain contacts with other states,  
3 government agencies, and educational institutions to obtain  
4 current information on efforts across the nation regarding  
5 alcohol blended fuels.

6 5. Provide upon request technical and available financial  
7 assistance to persons interested in farm-scale grain alcohol  
8 production.

9 6. Develop a public information program to inform the  
10 public concerning the manufacture, use and advantages of grain  
11 alcohol motor fuel.

12 7. Recommend legislation to the general assembly to  
13 encourage the development of a grain alcohol motor fuel in-  
14 dustry in Iowa.

15 8. Conduct conferences and seminars on grain alcohol motor  
16 fuel.

17 9. Compile and maintain information on funding oppor-  
18 tunities, including loan guarantee programs, for commercial  
19 and farm-scale plants.

20 Sec. 5. NEW SECTION. REPORT. The committee shall pre-  
21 pare an annual report on the grain alcohol motor fuel program  
22 which shall be submitted by the commission to the governor  
23 and the general assembly not later than January fifteenth  
24 of each year commencing in 1980. The report shall detail  
25 the activities of the committee and shall include the report  
26 on the study required by subsection three (3) of section four  
27 (4) of this Act.

28 Sec. 6. NEW SECTION. This Act is repealed July 1, 1983.

29 EXPLANATION

30 This bill establishes an Iowa grain alcohol fuel program  
31 under the jurisdiction of the Iowa development commission.  
32 The purpose of the program is to provide an alternative source  
33 of motor fuel, create a greater demand for grain products  
34 and other carbohydrate residue, and to further utilize and  
35 promote the use of products made in Iowa which are related

1 to agriculture in order to enhance the agricultural economy  
2 of the state.

3 The bill establishes an Iowa grain alcohol fuel committee  
4 for the purpose of establishing the policy and administration  
5 of the Iowa grain alcohol fuel program. The committee is  
6 charged with conducting a variety of activities to promote  
7 the development of alcohol blended fuels including a detailed  
8 study of the industry.

9 The Iowa development commission shall submit to the gen-  
10 ral assembly in January of each year, commencing in January  
11 of 1980, a report of the activities of the commission.

12 The Act is repealed July 1, 1983.

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35