CHAPTER 159A

RENEWABLE FUELS AND COPRODUCTS

For transition provisions relating to the administration of the renewable fuel infrastructure program by the department of agriculture and land stewardship, including but not limited to the effect of the transition on pending enforcement actions and outstanding cost-share agreements executed by the department of economic development, see 2011 Acts, ch 113, §48 – 54, 56

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SUBCHAPTER I

FINDINGS AND POLICY

159A.1 Findings.

The general assembly finds and declares the following:

1. The production and processing of agricultural commodities and products represents the foundation of this state's economy, and the economic viability of this nation is contingent upon the production of wealth generated primarily from materials, including food and fiber, produced on this nation's family farms.

2. It is necessary to support industries using agricultural commodities to increase the demand for and production and consumption of sources of energy in order to reduce the state's dependency upon petroleum products; to reduce atmospheric contamination of this state's environment from the combustion of fossil fuels; and to produce coproducts, such as corn gluten feed, distillers grain, and solubles, which can be used to increase livestock production in this state.

3. This state adopts a policy of enhancing agricultural production by encouraging the development and use of fuels and coproducts derived from agricultural commodities as provided in this chapter, including rules adopted by the office of renewable fuels and coproducts.

91 Acts, ch 254, §6; 94 Acts, ch 1119, §11; 2010 Acts, ch 1031, §238

SUBCHAPTER II

OFFICE OF RENEWABLE FUELS AND COPRODUCTS

Referred to in §159.20

159A.2 Definitions.

As used in this subchapter, unless the context otherwise requires:

1. *"Biobutanol"*, *"biobutanol blended gasoline"*, *"biodiesel"*, *"biodiesel blended fuel"*,

"ethanol", *"ethanol blended gasoline"*, and *"renewable fuel"* mean the same as defined in section 214A.1.

2. *"Coordinator"* means the administrative head of the office of renewable fuels and coproducts appointed by the department as provided in section 159A.3.

3. *"Coproduct"* means a product other than a renewable fuel which at least in part is derived from the processing of agricultural commodities, and which may include corn gluten feed, distillers grain, or solubles, or can be used as livestock feed or a feed supplement.

4. *"Department"* means the department of agriculture and land stewardship.

5. *"Fund"* means the renewable fuels and coproducts fund established pursuant to section 159A.7.

6. *"Office"* means the office of renewable fuels and coproducts created pursuant to section 159A.3.

7. *"Renewable fuels and coproducts activities"* means either of the following:

a. The research, development, production, promotion, marketing, or consumption of renewable fuels and coproducts.

b. The research, development, transfer, or use of technologies which directly or indirectly increase the supply or demand of renewable fuels and coproducts.

91 Acts, ch 254, §7; 94 Acts, ch 1119, §12; 2000 Acts, ch 1018, §1; 2004 Acts, ch 1086, §106; 2006 Acts, ch 1142, §73 – 75; 2010 Acts, ch 1031, §239; 2011 Acts, ch 113, §46, 56; 2014 Acts, ch 1104, §1, 2

Further definitions, see §159.1

159A.3 Office of renewable fuels and coproducts.

1. An office of renewable fuels and coproducts is created within the department and shall be staffed by a coordinator who shall be appointed by the secretary. It shall be the policy of the office to further renewable fuels and coproducts activities. The office shall first further renewable fuels and coproducts activities based on the following considerations:

a. The price competitiveness of the renewable fuel or coproduct.

b. The production capacity and supply of the renewable fuel or coproduct.

c. The ease and safety of transporting and storing the renewable fuel or coproduct.

d. The degree to which the renewable fuel or coproduct is currently developed for ready transfer to current engine technology.

e. The degree to which the renewable fuel or coproduct is environmentally protective.

f. The degree to which the renewable fuel or coproduct provides economic development opportunities.

2. The duties of the office include, but are not limited to, the following:

a. Serving as advisor to the department regarding regulations, including federal and state standards, relating to oxygenates, as defined in section 214A.1.

b. Serving as advisor to the department regarding renewable fuels and coproducts programs.

c. Serving as monitor of regulations administered in the state, in other states, or by the federal government. The office shall collect information and data prepared by state agencies related to these regulations, and provide referral and assistance to interested persons and agencies.

d. Cooperating with persons and agencies involved in renewable fuels and coproducts activities, including other states and the federal government, to standardize regulations and coordinate programs, in order to increase administrative effectiveness and reduce administrative duplication.

e. Implementing policies and procedures designed to facilitate communication between persons involved in renewable fuels and coproducts activities.

f. Assisting state or federal agencies, or assisting commercial enterprises or commodity organizations which are located in or desiring to locate in the state. The assistance may include support of public research relating to renewable fuels and coproducts activities.

g. Conducting studies relating to the viability of producing or using renewable fuels and coproducts, and methods and schedules required to ensure a practicable transition to the use of renewable fuels and coproducts.

h. Approving a renewable fuel which may be used as a flexible fuel powering a motor vehicle required to be purchased by state agencies.

3. *a.* A chief purpose of the office is to further the production and consumption of ethanol blended gasoline and biobutanol blended gasoline in this state. The office shall be the primary state agency charged with the responsibility to promote public consumption of ethanol blended gasoline and biobutanol blended gasoline.

b. The office shall promote the production and consumption of biodiesel and biodiesel blended fuel in this state.

4. The office and state entities, including the department, the economic development authority, the state department of transportation, and the state board of regents institutions, shall cooperate to implement this section.

91 Acts, ch 254, §8; 92 Acts, ch 1239, §33; 94 Acts, ch 1119, §13; 2003 Acts, ch 44, §41, 42; 2006 Acts, ch 1142, §76, 83; 2009 Acts, ch 108, §8, 41; 2010 Acts, ch 1031, §240 – 242; 2011 Acts, ch 25, §19; 2011 Acts, ch 118, §50, 85, 89; 2014 Acts, ch 1104, §3

Referred to in **§8A.412**, **§20.4**, **§159A.2**, **§159A.7**, **§216B.3**, **§260C.19A**, **§262.25A**, **§307.21**, **§422.11N**, **§904.312A**

159A.4 and 159A.5 Repealed by 2010 Acts, ch 1031, §250, 251.

159A.6 Education, promotion, and advertising.

1. The office shall do all of the following:

a. Support education regarding, and promotion and advertising of, renewable fuels and coproducts. The office shall consult with the petroleum marketers and convenience stores of Iowa, the Iowa renewable fuels association, the Iowa corn growers association, and the Iowa soybean association.

b. Promote the advantages related to the use of renewable fuels as an alternative to nonrenewable fuels. Promotions shall be designed to inform the ultimate consumer of advantages associated with using renewable fuels, and emphasize the benefits to the natural environment. The promotion shall inform consumers at the businesses of retail dealers of motor vehicle fuels.

c. Develop standards for decals required pursuant to section 214A.16, which shall be designed to promote the advantages of using renewable fuels. The standards may be incorporated within a model decal adopted by the office.

d. Promote the advantages related to the use of coproducts derived from the production of renewable fuels, including the use of coproducts used as livestock feed or meal. Promotions shall be designed to inform the potential purchasers of the advantages associated with using coproducts. The office shall promote advantages associated with using coproducts of ethanol and biobutanol production as livestock feed or meal to cattle producers in this state.

2. The office may contract to provide all or part of the services described in subsection 1.

91 Acts, ch 254, §11; 92 Acts, ch 1099, §3; 92 Acts, ch 1163, §41; 94 Acts, ch 1119, §19; 2009 Acts, ch 41, §197; 2010 Acts, ch 1031, §243; 2010 Acts, ch 1193, §145; 2014 Acts, ch 1104, §4

Referred to in **§159A.7**, **§214A.16**

159A.6A Renewable fuels and coproducts research.

The office shall support research relating to renewable fuels and coproducts, including methods to increase efficiency and reduce costs associated with production. The office shall consult with the Iowa corn growers association and the Iowa soybean association. The office shall support research activities at the university of Iowa, Iowa state university of science and technology, and the university of northern Iowa. The office may contract to provide all or part of these services.

94 Acts, ch 1119, §20

Referred to in **§159A.7**

159A.6B Technical assistance.

1. The office shall assist persons in revitalizing rural regions of this state, by providing technical assistance to new or existing renewable fuel production facilities, including the establishment and operation of facilities, and specifically facilities which create coproducts, including coproducts which support livestock production operations. The office shall consult

with the Iowa corn growers association and the Iowa soybean association. The office shall provide planning assistance which may include evaluations of methods to most profitably manage these operations. The business planning assistance shall provide for adequate environmental protection of this state's natural resources from the operation of the facility.

2. The office may execute contracts in order to provide technical support and outreach services for purposes of assisting and educating interested persons as provided in this section. The office may also contract with a consultant to provide part or all of these services. The office may require that a person receiving assistance pursuant to this section contribute up to fifty percent of the amount required to support the costs of contracting with the consultant to provide assistance to the person. The office shall assist the person in completing any technical information required in order to receive assistance by the economic development authority pursuant to section 15.335B.

3. The office shall cooperate with the economic development authority and regents institutions or other universities and colleges in order to carry out this section.

94 Acts, ch 1119, §21; 2009 Acts, ch 41, §198; 2009 Acts, ch 108, §11, 41; 2009 Acts, ch 123, §29; 2011 Acts, ch 118, §50, 85, 86, 89; 2012 Acts, ch 1126, §23

Referred to in **§159A.7**

159A.7 Renewable fuels and coproducts fund.

1. A renewable fuels and coproducts fund is created in the state treasury under the control of the office of renewable fuels and coproducts. The fund may include moneys available to and obtained or accepted by the office, including moneys from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources.

2. Moneys in the fund shall be used only to carry out the provisions of this section and sections 159A.3, 159A.6, 159A.6A, and 159A.6B within the state of Iowa.

3. Moneys in the fund shall be allocated during each fiscal year as follows:

a. At least forty percent shall be dedicated to support education, promotion, and advertising of renewable fuels and coproducts as provided in section 159A.6.

b. Up to thirty percent may be dedicated to support research at the university of Iowa, Iowa state university of science and technology, and the university of northern Iowa, as provided in section 159A.6A.

c. Any remaining balance shall be used by the office to support technical assistance as provided in section 159A.6B and any other projects or programs developed by the office.

4. Moneys in the fund are subject to an annual audit by the auditor of state. The fund is subject to warrants by the director of the department of administrative services, drawn upon the written requisition of the coordinator.

5. In administering the fund, the office may do all of the following:

a. Contract, sue and be sued, and adopt procedures necessary to administer this section. However, the office shall not in any manner, directly or indirectly, pledge the credit of the state.

b. Authorize payment from the fund for commissions, attorney and accountant fees, and other reasonable expenses related to and necessary for administering the fund.

6. Section 8.33 does not apply to moneys in the fund. Income received by investment of moneys in the fund shall remain in the fund.

91 Acts, ch 254, §12; 92 Acts, ch 1099, §4, 10; 93 Acts, ch 180, §74; 94 Acts, ch 1119, §22; 97 Acts, ch 207, §7 – 9, 15; 2000 Acts, ch 1230, §21, 22; 2002 Acts, 2nd Ex, ch 1003, §67, 79; 2003 Acts, ch 145, §286; 2009 Acts, ch 41, §199; 2010 Acts, ch 1031, §244

Referred to in **§159A.2**

159A.8 through 159A.10 Reserved.

SUBCHAPTER III

RENEWABLE FUEL INFRASTRUCTURE

Referred to in §159.20

159A.11 Definitions.

As used in this subchapter, unless the context otherwise requires:

1. *"Biodiesel"*, *"biodiesel blended fuel"*, *"biodiesel fuel"*, *"E-85 gasoline"*, *"ethanol"*, *"ethanol blended gasoline"*, *"gasoline"*, *"motor fuel"*, *"retail dealer"*, and *"retail motor fuel site"* mean the same as defined in section 214A.1.

2. *"Department"* means the department of agriculture and land stewardship.

3. *"Infrastructure board"* means the renewable fuel infrastructure board as created in section 159A.13.

4. *"Infrastructure fund"* means the renewable fuel infrastructure fund created in section 159A.16.

5. *"Motor fuel pump"* and *"motor fuel blender pump"* or *"blender pump"* mean the same as defined in section 214.1.

6. *"Motor fuel storage and dispensing infrastructure"* or *"infrastructure"* means a tank and motor fuel pumps necessary to keep and dispense motor fuel at a retail motor fuel site, including but not limited to all associated equipment, dispensers, pumps, pipes, hoses, tubes, lines, fittings, valves, filters, seals, and covers.

7. *"Tank vehicle"* means the same as defined in section 321.1.

8. *"Terminal"* means a storage and distribution facility for motor fuel or a blend stock such as ethanol or biodiesel that is stored on-site or off-site in bulk and that is supplied to a motor vehicle, pipeline, or a marine vessel and from which storage and distribution facility the motor fuel or blend stock may be removed at a rack. *"Terminal"* does not include any of the following:

a. A retail motor fuel site.

b. A facility at which motor fuel, special fuel, or blend stocks are used in the manufacture of products other than motor fuel and from which no motor fuel or special fuel is removed.

9. *"Terminal operator"* means a person who has responsibility for, or physical control over, the operation of a terminal, including by ownership, contractual agreement, or appointment.

10. *"Underground storage tank fund board"* means the Iowa comprehensive petroleum underground storage tank fund board established pursuant to section 455G.4.

2006 Acts, ch 1142, §28; 2006 Acts, ch 1175, §3, 23
C2007, §15G.201
2008 Acts, ch 1169, §1, 2, 30; 2011 Acts, ch 113, §42, 55, 56; 2011 Acts, ch 118, §74, 75
CS2011, §159A.11

159A.12 Classification of renewable fuel.

For purposes of this subchapter, ethanol blended fuel and biodiesel fuel shall be classified in the same manner as provided in section 214A.2.

2008 Acts, ch 1169, §3, 30
C2009, §15G.201A
2009 Acts, ch 41, §17; 2011 Acts, ch 113, §55, 56
CS2011, §159A.12

159A.13 Renewable fuel infrastructure board.

A renewable fuel infrastructure board is established within the department.

1. The department shall provide the infrastructure board with necessary facilities, items, and clerical support. The department shall perform administrative functions necessary for the management of the infrastructure board and the renewable fuel infrastructure programs as provided in sections 159A.14 and 159A.15, all under the direction of the infrastructure board.

2. The infrastructure board shall be composed of eleven members who shall be appointed by the governor as follows:

a. One person representing insurers who is knowledgeable about issues relating to underground storage tanks.

b. One person representing the petroleum industry who is knowledgeable about issues relating to petroleum refining, terminal operations, and petroleum or motor fuel distribution.

c. Nine persons based on nominations made by the titular heads of all of the following:

(1) The agribusiness association of Iowa.
(2) The Iowa corn growers association.
(3) The Iowa farm bureau federation.
(4) The Iowa biodiesel board.
(5) The Iowa soybean association.
(6) The petroleum marketers and convenience stores of Iowa.
(7) The Iowa petroleum equipment contractors association.
(8) The Iowa renewable fuels association.
(9) The Iowa grocery industry association.

3. Appointments of voting members to the infrastructure board are subject to the requirements of sections 69.16 and 69.16A. In addition, the appointments shall be geographically balanced. The governor's appointees shall be confirmed by the senate, pursuant to section 2.32.

4. The members of the infrastructure board shall serve five-year terms beginning and ending as provided in section 69.19. However, the governor shall appoint initial members to serve for less than five years to ensure members serve staggered terms. A member is eligible for reappointment. A vacancy on the board shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

5. The infrastructure board shall elect a chairperson from among its members each year on a rotating basis as provided by the infrastructure board. The infrastructure board shall meet on a regular basis and at the call of the chairperson or upon the written request to the chairperson of six or more members.

6. The infrastructure board shall meet with three or more members of the underground storage tank fund board who shall represent the underground storage tank fund board. The representatives shall be available to advise the infrastructure board when the infrastructure board makes decisions regarding the awarding of financial incentives to a person under a renewable fuel infrastructure program provided in section 159A.14 or 159A.15.

7. Members of the infrastructure board are not entitled to receive compensation but shall receive reimbursement of expenses from the department as provided in section 7E.6.

8. Six members of the infrastructure board constitute a quorum and the affirmative vote of a majority of the members present is necessary for any substantive action to be taken by the infrastructure board. The majority shall not include any member who has a conflict of interest and a statement by a member that the member has a conflict of interest is conclusive for this purpose. A vacancy in the membership does not impair the duties of the infrastructure board.

2006 Acts, ch 1142, §29
C2007, §15G.202
2011 Acts, ch 113, §43, 55, 56
CS2011, §159A.13
Referred to in **§159A.11**, **§159A.14**, **§159A.15**, **§159A.16**

159A.14 Renewable fuel infrastructure program for retail motor fuel sites.

A renewable fuel infrastructure program for retail motor fuel sites is established in the department under the direction of the renewable fuel infrastructure board created pursuant to section 159A.13.

1. The purpose of the program is to improve retail motor fuel sites by installing, replacing, or converting infrastructure to be used to store, blend, or dispense renewable fuel. The infrastructure shall be ethanol infrastructure or biodiesel infrastructure.

a. (1) Ethanol infrastructure shall be designed and used exclusively to do any of the following:

(a) Store and dispense E-15 gasoline. At least for the period beginning on September 16 and ending on May 31 of each year, the ethanol infrastructure must be used to store and

dispense E-15 gasoline as a registered fuel recognized by the United States environmental protection agency.

(b) Store and dispense E-85 gasoline.

(c) Store, blend, and dispense motor fuel from a motor fuel blender pump. The ethanol infrastructure must be used for the storage of ethanol or ethanol blended gasoline, or for blending ethanol with gasoline. The ethanol infrastructure must at least include a motor fuel blender pump which dispenses different classifications of ethanol blended gasoline and allows E-85 gasoline to be dispensed at all times that the blender pump is operating.

(2) Biodiesel infrastructure shall be designed and used exclusively to do any of the following:

(a) Store and dispense biodiesel or biodiesel blended fuel.

(b) Blend or dispense biodiesel fuel from a motor fuel blender pump.

b. The infrastructure must be part of the premises of a retail motor fuel site operated by a retail dealer. The infrastructure shall not include a tank vehicle.

2. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

3. The infrastructure board shall approve cost-share agreements executed by the department and persons that the infrastructure board determines are eligible as provided in this section, according to terms and conditions required by the infrastructure board. The infrastructure board shall determine the amount of the financial incentives to be awarded to a person participating in the program. In order to be eligible to participate in the program all of the following must apply:

a. The person must be an owner or operator of the retail motor fuel site.

b. The person must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain all information required by the infrastructure board and shall at least include all of the following:

(1) The name of the person and the address of the retail motor fuel site to be improved.

(2) A detailed description of the infrastructure to be installed, replaced, or converted, including but not limited to the model number of each installed, replaced, or converted motor fuel storage tank if available.

(3) A statement describing how the retail motor fuel site is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used.

(4) A statement certifying that the infrastructure shall only be used to comply with the provisions of this section and as specified in the cost-share agreement, unless granted a waiver by the infrastructure board pursuant to this section.

4. A retail motor fuel site which is improved using financial incentives must comply with federal and state standards governing new or upgraded motor fuel storage tanks used to store and dispense the renewable fuel. A site classified as a no further action site pursuant to a certificate issued by the department of natural resources under section 455B.474 shall retain its classification following modifications necessary to store and dispense the renewable fuel and the owner or operator shall not be required to perform a new site assessment unless a new release occurs or if a previously unknown or unforeseen risk condition should arise.

5. An award of financial incentives to a participating person shall be on a cost-share basis in the form of a grant. To participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the retail motor fuel site. A cost-share agreement shall be for a three-year period or a five-year period. A cost-share agreement shall include provisions for standard financial incentives or standard financial incentives and supplemental financial incentives as provided in this subsection. The infrastructure board may approve multiple improvements to the same retail motor fuel site

for the full amount available for both ethanol infrastructure and biodiesel infrastructure so long as the improvements for ethanol infrastructure and for biodiesel infrastructure are made under separate cost-share agreements.

a. (1) Except as provided in paragraph *"b"*, a participating person may be awarded standard financial incentives to make improvements to a retail motor fuel site. The standard financial incentives awarded to a participating person shall not exceed the following:

(a) For a three-year cost-share agreement, fifty percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.

(b) For a five-year cost-share agreement, seventy percent of the actual cost of making the improvement or fifty thousand dollars, whichever is less.

(2) The infrastructure board may approve multiple awards of standard financial incentives to make improvements to a retail motor fuel site so long as the total amount of the awards for ethanol infrastructure or biodiesel infrastructure does not exceed the limitations provided in subparagraph (1).

b. In addition to any standard financial incentives awarded to a participating person under paragraph *"a"*, the participating person may be awarded supplemental financial incentives to make improvements to a retail motor fuel site to do any of the following:

(1) Upgrade or replace a dispenser which is part of gasoline storage and dispensing infrastructure used to store and dispense E-85 gasoline as provided in section 455G.31. The participating person is only eligible to be awarded the supplemental financial incentives if the person installed the dispenser not later than sixty days after the date of the publication in the Iowa administrative bulletin of the state fire marshal's order providing that a commercially available dispenser is listed as compatible for use with E-85 gasoline by an independent testing laboratory as provided in section 455G.31. The supplemental financial incentives awarded to the participating person shall not exceed seventy-five percent of the actual cost of making the improvement or thirty thousand dollars, whichever is less.

(2) To improve additional retail motor fuel sites owned or operated by a participating person within a twelve-month period as provided in the cost-share agreement. The supplemental financial incentives shall be used for the installation of an additional tank and associated infrastructure at each such retail motor fuel site. A participating person may be awarded supplemental financial incentives under this subparagraph and standard financial incentives under paragraph *"a"* to improve the same motor fuel site. The supplemental financial incentives awarded to the participating person shall not exceed twenty-four thousand dollars. The participating person shall be awarded the supplemental financial incentives on a cumulative basis according to the schedule provided in this subparagraph, which shall not exceed the following:

(a) For the second retail motor fuel site, six thousand dollars.

(b) For the third retail motor fuel site, six thousand dollars.

(c) For the fourth retail motor fuel site, six thousand dollars.

(d) For the fifth retail motor fuel site, six thousand dollars.

6. A participating person shall not use the infrastructure to store and dispense motor fuel other than the type of renewable fuel approved by the board in the cost-share agreement, unless one of the following applies:

a. The participating person is granted a waiver by the infrastructure board. The participating person shall store or dispense the motor fuel according to the terms and conditions of the waiver.

b. The renewable fuel infrastructure fund created in section 159A.16 is immediately repaid the total amount of moneys awarded to the participating person together with a monetary penalty equal to twenty-five percent of that awarded amount. The amount shall be deposited in the renewable fuel infrastructure fund created in section 159A.16.

7. A participating person who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

2006 Acts, ch 1142, §30

C2007, §15G.203

2007 Acts, ch 126, §9; 2007 Acts, ch 211, §46; 2008 Acts, ch 1032, §128; 2008 Acts, ch 1169, §4 – 9, 30; 2009 Acts, ch 41, §263; 2011 Acts, ch 113, §55, 56
CS2011, §159A.14
2015 Acts, ch 138, §74, 161, 162
Referred to in §159A.13, §159A.16

159A.15 Renewable fuel infrastructure program for biodiesel terminal facilities.

The department, under the direction of the renewable fuel infrastructure board created in section 159A.13, shall establish and administer a renewable fuel infrastructure program for terminal facilities that store and dispense biodiesel or biodiesel blended fuel. The infrastructure must be designed and shall be used exclusively to store and distribute biodiesel or biodiesel blended fuel. The department as directed by the infrastructure board shall provide a cost-share program for financial incentives.

1. A person may apply to the department to receive financial incentives on a cost-share basis. The department shall forward the applications to the underground storage tank fund board as required by that board for evaluation and recommendation. The underground storage tank fund board may rank the applications with comments and shall forward them to the infrastructure board for approval or disapproval. The department shall award financial incentives on a cost-share basis to an eligible person whose application was approved by the infrastructure board.

2. The department shall award financial incentives to a terminal operator participating in the program as directed by the infrastructure board. In order to be eligible to participate in the program, the terminal operator must apply to the department in a manner and according to procedures required by the infrastructure board. The application must contain information required by the infrastructure board and shall at least include all of the following:

a. The name of the terminal operator and the address of the terminal to be improved.

b. A detailed description of the infrastructure to be installed, replaced, or converted.

c. A statement describing how the terminal is to be improved, the total estimated cost of the planned improvement, and the date when the infrastructure will be first used to store and distribute biodiesel or biodiesel blended fuel.

d. A statement certifying that the infrastructure shall not be used to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless granted a waiver by the infrastructure board pursuant to this section.

3. *a.* An award of financial incentives to a participating person shall be in the form of a grant. In order to participate in the program, an eligible person must execute a cost-share agreement with the department as approved by the infrastructure board in which the person contributes a percentage of the total costs related to improving the terminal. The financial incentives awarded to the participating person shall not exceed the following:

(1) For improvements to store, blend, or dispense biodiesel fuel from B-2 or higher but not as high as B-99, fifty percent of the actual cost of making the improvements or fifty thousand dollars, whichever is less.

(2) For improvements to store, blend, and dispense biodiesel fuel from B-99 to B-100, fifty percent of the actual cost of making the improvements or one hundred thousand dollars, whichever is less. However, a person shall not be awarded moneys under this subparagraph if the person has been awarded a total of eight hundred thousand dollars under this subparagraph during any period of time and pursuant to all cost-share agreements in which the person participates.

b. The infrastructure board may approve multiple awards to make improvements to a terminal so long as the total amount of the awards does not exceed the limitations provided in paragraph "*a*".

4. A participating terminal operator shall not use the infrastructure to store or dispense motor fuel other than biodiesel or biodiesel blended fuel, unless one of the following applies:

a. The participating terminal operator is granted a waiver by the infrastructure board. The participating terminal operator shall store or dispense the motor fuel according to the terms and conditions of the waiver.

b. The renewable fuel infrastructure fund created in section 159A.16 is immediately repaid

the total amount of moneys awarded to the participating terminal operator together with a monetary penalty equal to twenty-five percent of that awarded amount. The amount shall be deposited in the renewable fuel infrastructure fund created in section 159A.16.

c. A participating terminal operator who acts in violation of an agreement executed with the department pursuant to this section is subject to a civil penalty of not more than one thousand dollars a day for each day of the violation. The civil penalty shall be deposited into the general fund of the state.

2006 Acts, ch 1142, §31
C2007, §15G.204
2007 Acts, ch 126, §10; 2008 Acts, ch 1169, §10, 11, 30; 2011 Acts, ch 113, §55, 56
CS2011, §159A.15
Referred to in **§159A.13**, **§159A.16**

159A.16 Renewable fuel infrastructure fund.

1. A renewable fuel infrastructure fund is created in the state treasury under the control of the department. The infrastructure fund is separate from the general fund of the state.

2. The renewable fuel infrastructure fund is composed of moneys appropriated by the general assembly and moneys available to and obtained or accepted by the department from the United States government or private sources for placement in the infrastructure fund.

3. Moneys in the renewable fuel infrastructure fund are appropriated to the department exclusively to support and market the renewable fuel infrastructure programs as provided in sections 159A.14 and 159A.15, and as allocated in financial incentives by the renewable fuel infrastructure board created in section 159A.13. Up to fifty thousand dollars shall be allocated each fiscal year to the department to support the administration of the programs. The department may use up to one and one-half percent of the program funds to market the programs. Otherwise the moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except to allocate as financial incentives under the programs.

4. *a.* The recapture of awards or penalties, or other repayments of moneys originating from the renewable fuel infrastructure fund shall be deposited into the infrastructure fund.

b. Notwithstanding section 12C.7, interest or earnings on moneys in the infrastructure fund shall be credited to the infrastructure fund.

c. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the infrastructure fund at the close of each fiscal year shall not revert but shall remain available in the infrastructure fund.

2006 Acts, ch 1175, §6, 23; 2006 Acts, ch 1185, §56
C2007, §15G.205
2008 Acts, ch 1122, §2; 2009 Acts, ch 41, §18; 2011 Acts, ch 113, §44, 55, 56
CS2011, §159A.16
Referred to in **§159A.11**, **§159A.14**, **§159A.15**