

MAR 22 2006
APPROPRIATIONS CALENDAR

HOUSE FILE 2759
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 767)

Passed House, Date 3-28-06 Passed Senate, Date 4-26-06
Vote: Ayes 99 Nays 0 Vote: Ayes 49 Nays 0
Approved May 3, 2006

A BILL FOR

1 An Act providing for the appropriation of moneys to support
2 renewable fuel infrastructure, and providing a contingent
3 effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

HF 2759

1 Section 1. Section 15G.111, subsection 1, paragraph a,
2 Code Supplement 2005, is amended to read as follows:

3 a. For the fiscal period beginning July 1, 2005, and
4 ending June 30, 2015, there is appropriated each fiscal year
5 from the grow Iowa values fund created in section 15G.108, to
6 the following amounts for the purposes designated:

7 (1) (a) For the fiscal year beginning July 1, 2005, and
8 ending June 30, 2006, to the department of economic
9 development thirty-five million dollars for programs
10 administered by the department of economic development.

11 (b) This subparagraph (1) is repealed on July 1, 2006.

12 (2) (a) For each fiscal year of the fiscal period
13 beginning July 1, 2006, and ending June 30, 2009, to the
14 department of economic development thirty-three million
15 dollars for programs administered by the department of
16 economic development.

17 (b) This subparagraph (2) is repealed on July 1, 2009.

18 (3) (a) For each fiscal year of the fiscal period
19 beginning July 1, 2009, and ending June 30, 2015, to the
20 department of economic development thirty-five million dollars
21 for programs administered by the department of economic
22 development.

23 (b) This subparagraph (3) is repealed on July 1, 2015.

24 Sec. 2. Section 15G.111, Code Supplement 2005, is amended
25 by adding the following new subsection:

26 NEW SUBSECTION. 6A. a. For the fiscal period beginning
27 July 1, 2006, and ending June 30, 2009, there is appropriated
28 each fiscal year from the grow Iowa values fund created in
29 section 15G.108 to the department of natural resources two
30 million dollars for deposit in the renewable fuel
31 infrastructure fund as enacted in 2006 Iowa Acts, House File
32 2754, to be expended as provided in that Act.

33 b. This subsection is repealed on July 1, 2009.

34 Sec. 3. Section 455G.32, subsection 1, if enacted by 2006
35 Iowa Acts, House File 2754, is amended by adding the following

1 new unnumbered paragraph:

2 NEW UNNUMBERED PARAGRAPH. For each fiscal year, up to
3 fifty thousand dollars is appropriated from the fund to the
4 department in order to administer the renewable fuel
5 infrastructure programs as provided in sections 455G.34 and
6 455G.35.

7 Sec. 4. CONTINGENT EFFECTIVE DATE. This Act is contingent
8 upon the establishment of a renewable fuel infrastructure fund
9 as enacted in 2006 Iowa Acts, House File 2754.

10 EXPLANATION

11 This bill is related to H.F. 2754, which is pending in the
12 general assembly, providing for the formulation of motor fuel
13 by providing for renewable fuel, including ethanol blended
14 fuel and biodiesel blended fuel. Part of that bill
15 establishes a renewable fuel infrastructure fund. The fund is
16 under the control of the department of natural resources to be
17 allocated between supporting renewable fuel infrastructure
18 programs relating to the storage and dispensing of E-85
19 gasoline at retail motor fuel sites (service stations) and
20 biodiesel at terminals. The purpose of the renewable fuel
21 infrastructure program for retail motor fuel sites is to
22 provide cost-share financial assistance for installing,
23 replacing, or converting motor fuel storage and dispensing
24 infrastructure designed and used exclusively for E-85
25 gasoline, biodiesel, or biodiesel blended fuel. The purpose
26 of the renewable fuel infrastructure program for biodiesel
27 terminal facilities is to provide cost-share financial
28 assistance to support infrastructure designed and used
29 exclusively to store and distribute biodiesel or biodiesel
30 blended fuel.

31 Under existing law, Code section 15G.110 provides a
32 standing general fund appropriation to the Iowa values fund of
33 \$50 million for each fiscal year beginning July 1, 2005, and
34 ending June 30, 2015, to support a number of entities,
35 including the Iowa department of economic development, which

1 annually receives \$35 million of that amount. A percentage of
2 that amount is to be used for a variety of purposes such as
3 business start-ups, expansions, modernization, attraction,
4 retention, marketing, and research and development.

5 The bill appropriates \$2 million from the Iowa values fund
6 for each fiscal year beginning July 1, 2006, and ending June
7 30, 2009, to the department of natural resources for deposit
8 into the renewable fuel infrastructure fund, and reduces the
9 same amount which would otherwise be allocated to the Iowa
10 department of economic development. Of this appropriation,
11 the bill authorizes the department of natural resources to
12 expend up to \$50,000 to administer the renewable fuel
13 infrastructure programs.

14 The bill takes effect only if the renewable fuel
15 infrastructure fund as established in H.F. 2754 is enacted.

16
17
18
19
20

HOUSE FILE 2759

H-8373

1 Amend House File 2759 as follows:

2 1. Page 1, by striking lines 3 through 23, and
3 inserting the following:

4 "a. For the fiscal period beginning July 1, ~~2005~~
5 2006, and ending June 30, 2015, there is appropriated
6 each fiscal year from the grow Iowa values fund
7 created in section 15G.108, to the department of
8 economic development ~~thirty-five~~ thirty-three million
9 dollars for programs administered by the department of
10 economic development."

11 2. Page 1, line 27, by striking the figure "2009"
12 and inserting the following: "2015".

13 3. Page 1, line 33, by striking the figure "2009"
14 and inserting the following: "2015".

By KUHN of Floyd

H-8373 FILED MARCH 23, 2006

HOUSE FILE 2759

H-8393

1 Amend House File 2759 as follows:

2 1. Page 1, by inserting before line 34 the
3 following:

4 "Sec. ____ . NEW SECTION. 15G.115 BIOREFINERY
5 TECHNOLOGY PROJECTS FUND -- SUPPORT OF PROJECTS.

6 A biorefinery technology projects fund is created
7 in the state treasury under the control of the
8 department of economic development. The fund is
9 separate from the general fund of the state.

10 1. Moneys in the biorefinery technology projects
11 fund are appropriated to the Iowa economic development
12 board exclusively to support persons engaged in the
13 research, development, and commercialization of
14 integrated biorefinery technology projects. A project
15 must further the production of liquid renewable fuels
16 and other high-value coproducts that use nonfood
17 agricultural crops as biofuel stock. The board shall
18 award moneys to eligible persons in the form of a
19 grant, loan, or no-interest loan based on terms and
20 conditions as established by the board.

21 2. a. Payments of interest, the recapture of
22 awards or penalties, or other repayments of moneys
23 originating from moneys awarded to support the
24 biorefinery technology projects fund shall be
25 deposited into the biorefinery technology projects
26 fund.

27 b. Notwithstanding section 8.33, any unexpended
28 balance in the fund at the end of a fiscal year shall
29 be retained in the fund.

30 c. Notwithstanding section 12C.7, subsection 2,
31 interest, earnings on investments, or time deposits of
32 the moneys in the fund shall be credited to the fund.

33 Sec. ____ . Section 452A.2, as amended by 2006 Iowa
34 Acts, House File 2754, if enacted, is amended by
35 adding the following new subsection:

36 NEW SUBSECTION. 24C. "Sever" means the physical
37 removal of a natural resource, including a crop as
38 defined in section 717A.1, from land located within
39 the territory of this state.

40 Sec. ____ . NEW SECTION. 452A.41 BIOFUEL SEVERANCE
41 TAX.

42 1. A person who processes a severed natural
43 resource for the production of a biofuel which may be
44 used as a component of a renewable fuel as defined in
45 section 214A.1, if 2006 Iowa Acts, House File 2754, is
46 enacted, is subject to a severance tax as provided in
47 this section. The severance tax is imposed at a rate
48 of five cents per each gallon of biofuel that is
49 transported to a destination outside of this state for
50 sale.

H-8393

1 2. A person subject to the severance tax shall
2 maintain an inventory of gallons of biofuel which is
3 taxable under this section. The person shall report
4 the biofuel gallonage and pay the severance tax based
5 on that inventory on a monthly or quarterly basis as
6 determined by rules adopted by the department. The
7 exclusive method of determining gallonage is on a
8 gross volume basis.

9 3. The department shall adopt rules necessary to
10 administer this section and to collect the severance
11 tax, and may require that records such as invoices,
12 bills of lading, or other documents of sale or
13 purchase and returns be made and maintained by a
14 person who produces, processes, purchases, sells, or
15 transports the biofuel.

16 4. This section does not impose a tax or require
17 that records be made or maintained by a person who
18 produces or severs the natural resource.

19 5. Of the moneys collected from the severance tax
20 as provided in this section, the department shall
21 deposit the moneys as follows:

22 a. One-half of the moneys into the renewable fuel
23 infrastructure fund as created in section 455G.32, if
24 enacted in 2006 Iowa Acts, House File 2754.

25 b. One-half of the moneys into the biorefinery
26 technology projects fund created in section 15G.115."

27 2. Title page, line 1, by inserting after the
28 words "for the" the following: "imposition of a
29 severance tax and".

30 3. By renumbering as necessary.

By WHITAKER of Van Buren

HOUSE FILE 2759

H-8396

1 Amend House File 2759 as follows:

2 1. Page 1, by inserting before line 24 the
3 following:

4 "Sec. _____. Section 15G.111, subsection 1, Code
5 Supplement 2005, is amended by adding the following
6 new paragraph:

7 NEW PARAGRAPH. h. (1) Of the moneys appropriated
8 in paragraph "a", for each fiscal year of the period
9 beginning July 1, 2006, and ending June 30, 2011, the
10 Iowa economic development board may allocate up to
11 five million dollars to support persons engaged in the
12 research, development, and commercialization of
13 integrated biorefinery technology projects. A project
14 must further the production of liquid renewable fuels
15 and other high-value coproducts that use nonfood
16 agricultural crops as biofuel stock.

17 (2) An application for an integrated biorefinery
18 technology project must be filed with the department
19 as required by the department and must at a minimum
20 include all of the following:

21 (a) A business plan that demonstrates managerial
22 and technical expertise.

23 (b) A fundraising plan that demonstrates private
24 investment contributions and possible federal
25 government contributions.

26 (c) The probability of the future creation of new
27 high-quality jobs.

28 (d) The probability of improvements to the
29 environment.

30 (e) The probability of reductions in fossil fuel
31 use.

32 (f) The use of research or technology developed in
33 this state by a college, university, business, or
34 governmental agency.

35 (g) The potential for further technological
36 development in this state.

37 (h) The feasibility that a proposed biorefinery
38 will remain a viable enterprise in the state.

39 (i) Any other component that the Iowa economic
40 development board determines to be reasonable and
41 necessary to promote the viability of the project and
42 further the public interest.

43 (3) The Iowa economic development board may
44 establish terms and conditions for the allocation of
45 the moneys."

46 2. Page 2, line 7, by striking the words "This
47 Act is" and inserting the following: "The sections of
48 this Act amending section 15G.111, subsection 1,
49 paragraph "a", and enacting section 15G.111,
50 subsection 6A, are effective".

By JACOBY of Johnson

H-8396 FILED MARCH 27, 2006

HOUSE FILE 2759

H-8398

1 Amend House File 2759 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 15G.111, subsection 1,
5 paragraph a, Code Supplement 2005, is amended to read
6 as follows:

7 a. For the fiscal period beginning July 1, 2005,
8 and ending June 30, 2015, there is appropriated each
9 fiscal year from the grow Iowa values fund created in
10 section 15G.108, ~~to~~ the following amounts for the
11 purposes designated:

12 (1) For the fiscal year beginning July 1, 2005,
13 and ending June 30, 2006, to the department of
14 economic development thirty-five million dollars for
15 programs administered by the department of economic
16 development.

17 (2) For each fiscal year of the fiscal period
18 beginning July 1, 2006, and ending June 30, 2009, to
19 the department of economic development thirty-three
20 million dollars for programs administered by the
21 department of economic development.

22 (3) For each fiscal year of the fiscal period
23 beginning July 1, 2009, and ending June 30, 2015, to
24 the department of economic development thirty-five
25 million dollars for programs administered by the
26 department of economic development.

27 Sec. 2. Section 15G.111, Code Supplement 2005, is
28 amended by adding the following new subsection:

29 NEW SUBSECTION. 6A. a. For the fiscal period
30 beginning July 1, 2006, and ending June 30, 2009,
31 there is designated each fiscal year from the grow
32 Iowa values fund created in section 15G.108 to the
33 department two million dollars exclusively to support
34 the renewable fuel infrastructure programs as provided
35 in sections 15E.116 and 15E.117, as enacted in 2006
36 Iowa Acts, House File 2754. Sixty-five percent of the
37 moneys shall be allocated to support infrastructure
38 relating to storing and dispensing E-85 gasoline as
39 provided in section 15E.116, as enacted in 2006 Iowa
40 Acts, House File 2754, and the remaining amount shall
41 be allocated to support infrastructure relating to
42 storing and dispensing biodiesel or biodiesel blended
43 fuel as provided in sections 15E.116 and 15E.117, as
44 enacted in 2006 Iowa Acts, House File 2754. However,
45 the renewable fuel infrastructure board as provided in
46 section 15E.115, as enacted in 2006 Iowa Acts, House
47 File 2754, may adjust this percentage allocation if
48 the board determines that there are not sufficient
49 persons eligible to be awarded moneys to support
50 infrastructure relating to storing and dispensing E-85

H-8398

H-8398

Page 2

1 gasoline or to support infrastructure relating to
2 storing and dispensing of biodiesel or biodiesel
3 blended fuel. Up to fifty thousand dollars shall be
4 allocated each fiscal year in order to support the
5 department's administration of the programs.
6 Otherwise the moneys shall not be transferred, used,
7 obligated, appropriated, or otherwise encumbered
8 except as necessary to administer the programs.
9 b. This subsection is repealed on July 1, 2009.
10 Sec. 3. CONTINGENT EFFECTIVE DATE. This Act is
11 contingent upon the enactment of 2006 Iowa Acts, House
12 File 2754."

By HOFFMAN of Crawford
S. OLSON of Clinton
SANDS of Louisa

WISE of Lee
THOMAS of Clayton

H-8398 FILED MARCH 27, 2006

HOUSE FILE 2759

H-8403

1 Amend the amendment, H-8398, to House File 2759, as
2 follows:

3 1. Page 1, by striking lines 7 through 26, and
4 inserting the following:

5 "a. For the fiscal period beginning July 1, ~~2005~~
6 2006, and ending June 30, 2015, there is appropriated
7 each fiscal year from the grow Iowa values fund
8 created in section 15G.108, to the department of
9 economic development ~~thirty-five~~ thirty-three million
10 dollars for programs administered by the department of
11 economic development."

12 2. Page 1, line 30, by striking the figure "2009"
13 and inserting the following: "2015".

14 3. Page 2, line 9, by striking the figure "2009"
15 and inserting the following: "2015".

By KUHN of Floyd

H-8403 FILED MARCH 28, 2006

LOST

HOUSE FILE 2759
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 767)

(As Amended and Passed by the House March 28, 2006)

Re- Passed House, Date 5-1-06 Passed Senate, Date 4-26-06
Vote: Ayes 94 Nays 0 Vote: Ayes 49 Nays 0
Approved _____

A BILL FOR

1 An Act providing for the appropriation of moneys to support
2 renewable fuel infrastructure, and providing a contingent
3 effective date.

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

5
6 All New Language
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

1 Section 1. Section 15G.111, subsection 1, paragraph a,
2 Code Supplement 2005, is amended to read as follows:

3 a. For the fiscal period beginning July 1, 2005, and
4 ending June 30, 2015, there is appropriated each fiscal year
5 from the grow Iowa values fund created in section 15G.108, to
6 the following amounts for the purposes designated:

7 (1) For the fiscal year beginning July 1, 2005, and ending
8 June 30, 2006, to the department of economic development
9 thirty-five million dollars for programs administered by the
10 department of economic development.

11 (2) For each fiscal year of the fiscal period beginning
12 July 1, 2006, and ending June 30, 2009, to the department of
13 economic development thirty-three million dollars for programs
14 administered by the department of economic development.

15 (3) For each fiscal year of the fiscal period beginning
16 July 1, 2009, and ending June 30, 2015, to the department of
17 economic development thirty-five million dollars for programs
18 administered by the department of economic development.

19 Sec. 2. Section 15G.111, Code Supplement 2005, is amended
20 by adding the following new subsection:

21 NEW SUBSECTION. 6A. a. For the fiscal period beginning
22 July 1, 2006, and ending June 30, 2009, there is designated
23 each fiscal year from the grow Iowa values fund created in
24 section 15G.108 to the department two million dollars
25 exclusively to support the renewable fuel infrastructure
26 programs as provided in sections 15E.116 and 15E.117, as
27 enacted in 2006 Iowa Acts, House File 2754. Sixty-five
28 percent of the moneys shall be allocated to support
29 infrastructure relating to storing and dispensing E-85
30 gasoline as provided in section 15E.116, as enacted in 2006
31 Iowa Acts, House File 2754, and the remaining amount shall be
32 allocated to support infrastructure relating to storing and
33 dispensing biodiesel or biodiesel blended fuel as provided in
34 sections 15E.116 and 15E.117, as enacted in 2006 Iowa Acts,
35 House File 2754. However, the renewable fuel infrastructure

1 board as provided in section 15E.115, as enacted in 2006 Iowa
2 Acts, House File 2754, may adjust this percentage allocation
3 if the board determines that there are not sufficient persons
4 eligible to be awarded moneys to support infrastructure
5 relating to storing and dispensing E-85 gasoline or to support
6 infrastructure relating to storing and dispensing of biodiesel
7 or biodiesel blended fuel. Up to fifty thousand dollars shall
8 be allocated each fiscal year in order to support the
9 department's administration of the programs. Otherwise the
10 moneys shall not be transferred, used, obligated,
11 appropriated, or otherwise encumbered except as necessary to
12 administer the programs.

13 b. This subsection is repealed on July 1, 2009.

14 Sec. 3. CONTINGENT EFFECTIVE DATE. This Act is contingent
15 upon the enactment of 2006 Iowa Acts, House File 2754.

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 2759

S-5227

1 Amend House File 2759, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking page 1, line 22, through page 2,
4 line 13, and inserting the following: "July 1, 2006,
5 and ending June 30, 2009, there is appropriated for
6 each fiscal year from the grow Iowa values fund
7 created in section 15G.108 two million dollars for
8 deposit in the renewable fuel infrastructure fund as
9 provided in section 15G.119.

10 b. This subsection is repealed on July 1, 2009.

11 Sec. _____. Section 15G.114, as enacted by 2006 Iowa
12 Acts, House File 2754, section 28, is amended by
13 adding the following new subsection:

14 NEW SUBSECTION. 3A. "Infrastructure fund" means
15 the renewable fuel infrastructure fund created in
16 section 15G.119.

17 Sec. _____. Section 15G.116, subsection 3, as
18 enacted by 2006 Iowa Acts, House File 2754, section
19 30, is amended by striking the subsection.

20 Sec. _____. Section 15G.117, subsection 2, as
21 enacted by 2006 Iowa Acts, House File 2754, section
22 31, is amended by striking the subsection.

23 Sec. _____. NEW SECTION. 15G.119 RENEWABLE FUEL
24 INFRASTRUCTURE FUND.

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

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

35 3. Moneys in the renewable fuel infrastructure
36 fund are appropriated to the department exclusively to
37 support the renewable fuel infrastructure programs as
38 provided in sections 15G.116 and 15G.117, as enacted
39 by 2006 Iowa Acts, House File 2754, sections 30 and
40 31, as allocated in financial incentives by the
41 renewable fuel infrastructure board as created in
42 section 15G.115, as enacted by 2006 Iowa Acts, House
43 File 2754, section 29. Up to fifty thousand dollars
44 shall be allocated each fiscal year to the department
45 to support the administration of the programs.
46 Otherwise the moneys shall not be transferred, used,
47 obligated, appropriated, or otherwise encumbered
48 except to allocate as financial incentives under the
49 programs.

50 4. a. The recapture of awards or penalties, or

S-5227

1 other repayments of moneys originating from the
2 renewable fuel infrastructure fund shall be deposited
3 into the infrastructure fund.
4 b. Notwithstanding section 12C.7, interest or
5 earnings on moneys in the infrastructure fund shall be
6 credited to the infrastructure fund.
7 c. Notwithstanding section 8.33, unencumbered and
8 unobligated moneys remaining in the infrastructure
9 fund at the close of each fiscal year shall not revert
10 but shall remain available in the infrastructure fund
11 for expenditure for the same purposes in the
12 succeeding fiscal year.

13 Sec. ____ . NEW SECTION. 214A.1A MOTOR FUEL
14 QUALITY ASSURANCE SCHEDULE.

15 1. The department shall adopt a schedule which
16 provides a schedule of departmental improvements
17 required for each fiscal year necessary to assure that
18 motor fuel sold and dispensed from motor fuel pumps in
19 this state meets all applicable standards as provided
20 in section 214A.2. On or before June 1 of each year,
21 and based on the schedule of improvements, the
22 secretary of agriculture shall certify the amount
23 required to implement the improvements required for
24 the next fiscal year to the director of the department
25 of management and the fiscal services division of the
26 legislative services agency. The department of
27 management shall conduct a review of the scheduled
28 improvements for that fiscal year and may reduce the
29 amount certified by the secretary if the department of
30 management determines that a lesser amount is
31 adequate. The director of the department of
32 management and the secretary shall report their
33 findings to the legislative government oversight
34 committees as required by the committees'
35 chairpersons.

36 2. For each fiscal year, of the moneys
37 appropriated to each state agency to support the
38 production or use of ethanol, ethanol blended
39 gasoline, biodiesel, or biodiesel blended fuel as
40 defined in section 214A.1, the department of
41 management shall transfer a prorated share of the
42 state agency's appropriation as is necessary to
43 satisfy the amount required to comply with the
44 schedule of improvements for that fiscal year as
45 directed by the department of management. The
46 department of management shall identify each affected
47 appropriation and notify each head of a department of
48 the transfer of the prorated share on or before June
49 15 of each year.

50 Sec. ____ . Section 214A.2, subsection 2A, paragraph

1 b, subparagraph (4), as enacted by 2006 Iowa Acts,
2 House File 2754, section 7, is amended by striking the
3 subparagraph.

4 Sec. _____. Section 214A.7, as amended by 2006 Iowa
5 Acts, House File 2754, section 12, is amended to read
6 as follows:

7 214A.7 DEPARTMENT INSPECTION -- SAMPLES TESTED.

8 The department shall, from time to time, make or
9 cause to be made tests of any motor vehicle fuel or
10 ~~oxygenate octane enhancer~~ biofuel which is being sold,
11 or held or offered for sale within this state. ~~An~~ A
12 departmental inspector may enter upon the premises of
13 ~~any wholesale dealer or retail~~ a dealer, and take from
14 any container a sample of the motor vehicle fuel or
15 ~~oxygenate octane enhancer~~ biofuel, not to exceed
16 sixteen fluid ounces. The sample shall be sealed and
17 appropriately marked or labeled by the inspector and
18 delivered to the department. The department shall
19 make, or cause to be made, complete analyses or tests
20 of the motor vehicle fuel or ~~oxygenate octane enhancer~~
21 biofuel by the methods specified in section 214A.2.

22 Sec. _____. Section 422.11N, subsection 4, paragraph
23 b, subparagraph (1), subparagraph subdivision (k), as
24 enacted by 2006 Iowa Acts, House File 2754, section
25 39, is amended to read as follows:

26 (k) Twenty-five percent for each determination
27 period in the period beginning on and after January 1,
28 2019, and ending on December 31, 2020.

29 Sec. _____. Section 422.11N, subsection 4, paragraph
30 b, subparagraph (2), subparagraph subdivisions (l) and
31 (m), as enacted by 2006 Iowa Acts, House File 2754,
32 section 39, are amended to read as follows:

33 (l) ~~Twenty-three~~ Twenty-five percent for the
34 determination period beginning on January 1, 2020, and
35 ending December 31, 2020.

36 ~~-(m) Twenty-five percent for each determination~~
37 ~~period beginning on and after January 1, 2021.~~

38 Sec. _____. Section 422.11N, subsection 4, paragraph
39 c, as enacted by 2006 Iowa Acts, House File 2754,
40 section 39, is amended to read as follows:

41 c. The retail dealer's biofuel threshold
42 percentage disparity which is a positive percentage
43 difference obtained by taking the minuend which is the
44 retail dealer's biofuel ~~distribution~~ threshold
45 percentage and subtracting from it the subtrahend
46 which is the retail dealer's biofuel ~~threshold~~
47 distribution percentage, in the retail dealer's
48 applicable determination period.

49 Sec. _____. Section 422.11N, subsection 5, paragraph
50 b, subparagraphs (1) and (2), as enacted by 2006 Iowa

1 Acts, House File 2754, section 39, are amended to read
2 as follows:

3 (1) If a retail dealer has not claimed a tax
4 credit in the retail dealer's previous tax year, the
5 retail dealer may claim the tax credit in the retail
6 dealer's current tax year for that period beginning on
7 January 1 of the retail dealer's previous tax year to
8 the last day of the retail dealer's previous tax year.
9 For that period the retail dealer shall calculate the
10 tax credit in the same manner as a retail dealer who
11 will calculate the tax credit on December 31 of that
12 calendar year as provided in paragraph "a".

13 (2) (a) For the period beginning on the first day
14 of the retail dealer's tax year until December 31, the
15 retail dealer shall calculate the tax credit in the
16 same manner as a retail dealer who calculates the tax
17 credit on that same December 31 as provided in
18 paragraph "a".

19 ~~(2)~~ (b) For the period beginning on January 1 to
20 the end of the retail dealer's tax year, the retail
21 dealer shall calculate the tax credit in the same
22 manner as a retail dealer who will calculate the tax
23 credit on the following December 31 as provided in
24 paragraph "a".

25 Sec. ____ Section 422.11N, subsection 9, as
26 enacted by 2006 Iowa Acts, House File 2754, section
27 39, is amended to read as follows:

28 9. This section is repealed on January 1, ~~2026~~
29 2021.

30 Sec. ____ Section 422.110, subsection 4,
31 paragraphs a and b, as enacted by 2006 Iowa Acts,
32 House File 2754, section 40, are amended to read as
33 follows:

34 a. If a retail dealer has not claimed a tax credit
35 in the retail dealer's previous tax year, the retail
36 dealer may claim the tax credit in the retail dealer's
37 current tax year for that period beginning on January
38 1 of the retail dealer's previous tax year to the last
39 day of the retail dealer's previous tax year. For
40 that period the retail dealer shall calculate the tax
41 credit in the same manner as a retail dealer who will
42 calculate the tax credit on December 31 of that
43 calendar year as provided in subsection 3.

44 b. (1) For the period beginning on the first day
45 of the retail dealer's tax year until December 31, the
46 retail dealer shall calculate the tax credit in the
47 same manner as a retail dealer who calculates the tax
48 credit on that same December 31 as provided in
49 subsection 3.

50 ~~b-~~ (2) For the period beginning on January 1 to

1 the end of the retail dealer's tax year, the retail
2 dealer shall calculate the tax credit in the same
3 manner as a retail dealer who will calculate the tax
4 credit on the following December 31 as provided in
5 subsection 3.

6 Sec. _____. Section 422.33, subsection 11A,
7 paragraph c, as enacted by 2006 Iowa Acts, House File
8 2754, section 46, is amended to read as follows:

9 c. This subsection is repealed on January 1, ~~2026~~
10 2021.

11 Sec. _____. 2006 Iowa Acts, House File 2754, section
12 49, subsection 2, is amended to read as follows:

13 2. For a retail dealer who may claim an ethanol
14 promotion tax credit under section 422.11N or 422.33,
15 subsection 11A, as enacted in this Act, in calendar
16 year ~~2025~~ 2020 and whose tax year ends prior to
17 December 31, ~~2025~~ 2020, the retail dealer may continue
18 to claim the tax credit in the retail dealer's
19 following tax year. In that case, the tax credit
20 shall be calculated in the same manner as provided in
21 section 422.11N or 422.33, subsection 11A, as enacted
22 in this Act, for the remaining period beginning on the
23 first day of the retail dealer's new tax year until
24 December 31, ~~2025~~ 2020. For that remaining period,
25 the tax credit shall be calculated in the same manner
26 as a retail dealer whose tax year began on the
27 previous January 1 and who is calculating the tax
28 credit on December 31, ~~2025~~ 2020.

29 Sec. _____. 2006 Iowa Acts, House File 2754, section
30 83, subsection 4, is amended to read as follows:

31 4. Sections 214A.1, 214A.4, ~~214A.5, 214A.7,~~
32 214A.8, and 214A.10, Code 2005, are amended by
33 striking from the provisions the words "oxygenate
34 octane enhancer" and inserting the following:
35 "oxygenate".

36 Sec. _____. NEW SECTION. 455G.3A SPECIAL
37 APPROPRIATION -- RENEWABLE FUEL INFRASTRUCTURE FUND.

38 1. Notwithstanding section 455G.3, for the fiscal
39 period beginning July 1, 2006, and ending June 30,
40 2008, there is appropriated each fiscal year from the
41 Iowa comprehensive petroleum underground storage tank
42 fund created in section 455G.3, to the renewable fuel
43 infrastructure fund, created in section 15G.119, three
44 million five hundred thousand dollars.

45 2. This section is repealed on July 1, 2008.

46 Sec. _____. Section 15.401, Code Supplement 2005, is
47 repealed.

48 Sec. _____. TRANSFER OF MONEYS. Moneys appropriated
49 to the Iowa department of economic development for the
50 purposes provided in section 15.401 shall be

1 transferred to the renewable fuel infrastructure fund
2 created in section 15G.119, as enacted by this Act, to
3 be expended as provided in sections 15G.116 and
4 15G.117, as enacted by 2006 Iowa Acts, House File
5 2754, sections 30 and 31.

6 Sec. ____ . MOTOR FUEL INSPECTION. There is
7 appropriated from the renewable fuel infrastructure
8 fund as created in section 15G.119, as enacted in this
9 Act, to the department of agriculture and land
10 stewardship for each fiscal year of the fiscal period
11 beginning July 1, 2006, and ending June 30, 2008, the
12 following amount, or so much thereof as is necessary,
13 to be used for the purposes designated:

14 For purposes of the inspection of motor fuel,
15 including salaries, support, maintenance,
16 miscellaneous purposes, and for not more than the
17 following full-time equivalent positions:

18	\$	300,000
19	FTEs	3.00

20 The department shall establish and administer
21 programs for the auditing of motor fuel including
22 biofuel processing and production plants, for
23 screening and testing motor fuel, including renewable
24 fuel, and for the inspection of motor fuel sold by
25 dealers including retail dealers who sell and dispense
26 motor fuel from motor fuel pumps."

27 2. Page 2, line 14, by striking the words "This
28 Act is" and inserting the following: "The sections of
29 this Act, other than the section of this Act enacting
30 section 214A.1A, are".

31 3. Page 2, by inserting after line 15 the
32 following:

33 "Sec. ____ . SPECIAL EFFECTIVE DATE. The section of
34 this Act enacting section 214A.1A, being deemed of
35 immediate importance, takes effect upon enactment."

36 4. Title page, line 1, by inserting before the
37 word "providing" the following: "relating to
38 renewable fuel, by".

39 5. Title page, line 2, by inserting after the
40 word "infrastructure," the following: "providing for
41 tax credits,".

42 6. Title page, lines 2 and 3, by striking the
43 words "a contingent effective date" and inserting the
44 following: "contingent and other effective dates".

45 7. By renumbering as necessary.

By DAVID JOHNSON
THOMAS RIELLY

**SENATE AMENDMENT TO
HOUSE FILE 2759**

H-8586

1 Amend House File 2759, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking page 1, line 22, through page 2,
4 line 13, and inserting the following: "July 1, 2006,
5 and ending June 30, 2009, there is appropriated for
6 each fiscal year from the grow Iowa values fund
7 created in section 15G.108 two million dollars for
8 deposit in the renewable fuel infrastructure fund as
9 provided in section 15G.119.

10 b. This subsection is repealed on July 1, 2009.

11 Sec. _____. Section 15G.114, as enacted by 2006 Iowa
12 Acts, House File 2754, section 28, is amended by
13 adding the following new subsection:

14 NEW SUBSECTION. 3A. "Infrastructure fund" means
15 the renewable fuel infrastructure fund created in
16 section 15G.119.

17 Sec. _____. Section 15G.116, subsection 3, as
18 enacted by 2006 Iowa Acts, House File 2754, section
19 30, is amended by striking the subsection.

20 Sec. _____. Section 15G.117, subsection 2, as
21 enacted by 2006 Iowa Acts, House File 2754, section
22 31, is amended by striking the subsection.

23 Sec. _____. NEW SECTION. 15G.119 RENEWABLE FUEL
24 INFRASTRUCTURE FUND.

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

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

35 3. Moneys in the renewable fuel infrastructure
36 fund are appropriated to the department exclusively to
37 support the renewable fuel infrastructure programs as
38 provided in sections 15G.116 and 15G.117, as enacted
39 by 2006 Iowa Acts, House File 2754, sections 30 and
40 31, as allocated in financial incentives by the
41 renewable fuel infrastructure board as created in
42 section 15G.115, as enacted by 2006 Iowa Acts, House
43 File 2754, section 29. Up to fifty thousand dollars
44 shall be allocated each fiscal year to the department
45 to support the administration of the programs.
46 Otherwise the moneys shall not be transferred, used,
47 obligated, appropriated, or otherwise encumbered
48 except to allocate as financial incentives under the
49 programs.

50 4. a. The recapture of awards or penalties, or

H-8586

1 other repayments of moneys originating from the
2 renewable fuel infrastructure fund shall be deposited
3 into the infrastructure fund.

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

7 c. Notwithstanding section 8.33, unencumbered and
8 unobligated moneys remaining in the infrastructure
9 fund at the close of each fiscal year shall not revert
10 but shall remain available in the infrastructure fund
11 for expenditure for the same purposes in the
12 succeeding fiscal year.

13 Sec. ____ . NEW SECTION. 214A.1A MOTOR FUEL
14 QUALITY ASSURANCE SCHEDULE.

15 1. The department shall adopt a schedule which
16 provides a schedule of departmental improvements
17 required for each fiscal year necessary to assure that
18 motor fuel sold and dispensed from motor fuel pumps in
19 this state meets all applicable standards as provided
20 in section 214A.2. On or before June 1 of each year,
21 and based on the schedule of improvements, the
22 secretary of agriculture shall certify the amount
23 required to implement the improvements required for
24 the next fiscal year to the director of the department
25 of management and the fiscal services division of the
26 legislative services agency. The department of
27 management shall conduct a review of the scheduled
28 improvements for that fiscal year and may reduce the
29 amount certified by the secretary if the department of
30 management determines that a lesser amount is
31 adequate. The director of the department of
32 management and the secretary shall report their
33 findings to the legislative government oversight
34 committees as required by the committees'
35 chairpersons.

36 2. For each fiscal year, of the moneys
37 appropriated to each state agency to support the
38 production or use of ethanol, ethanol blended
39 gasoline, biodiesel, or biodiesel blended fuel as
40 defined in section 214A.1, the department of
41 management shall transfer a prorated share of the
42 state agency's appropriation as is necessary to
43 satisfy the amount required to comply with the
44 schedule of improvements for that fiscal year as
45 directed by the department of management. The
46 department of management shall identify each affected
47 appropriation and notify each head of a department of
48 the transfer of the prorated share on or before June
49 15 of each year.

50 Sec. ____ . Section 214A.2, subsection 2A, paragraph

1 b, subparagraph (4), as enacted by 2006 Iowa Acts,
2 House File 2754, section 7, is amended by striking the
3 subparagraph.

4 Sec. _____. Section 214A.7, as amended by 2006 Iowa
5 Acts, House File 2754, section 12, is amended to read
6 as follows:

7 214A.7 DEPARTMENT INSPECTION -- SAMPLES TESTED.

8 The department shall, from time to time, make or
9 cause to be made tests of any motor vehicle fuel or
10 ~~oxygenate octane enhancer~~ biofuel which is being sold,
11 or held or offered for sale within this state. ~~AA~~ A
12 departmental inspector may enter upon the premises of
13 ~~any wholesale dealer or retail~~ a dealer, and take from
14 any container a sample of the motor vehicle fuel or
15 ~~oxygenate octane enhancer~~ biofuel, not to exceed
16 sixteen fluid ounces. The sample shall be sealed and
17 appropriately marked or labeled by the inspector and
18 delivered to the department. The department shall
19 make, or cause to be made, complete analyses or tests
20 of the motor vehicle fuel or ~~oxygenate octane enhancer~~
21 biofuel by the methods specified in section 214A.2.

22 Sec. _____. Section 422.11N, subsection 4, paragraph
23 b, subparagraph (1), subparagraph subdivision (k), as
24 enacted by 2006 Iowa Acts, House File 2754, section
25 39, is amended to read as follows:

26 (k) Twenty-five percent for each determination
27 period in the period beginning on and after January 1,
28 2019, and ending on December 31, 2020.

29 Sec. _____. Section 422.11N, subsection 4, paragraph
30 b, subparagraph (2), subparagraph subdivisions (l) and
31 (m), as enacted by 2006 Iowa Acts, House File 2754,
32 section 39, are amended to read as follows:

33 (l) ~~Twenty-three~~ Twenty-five percent for the
34 determination period beginning on January 1, 2020, and
35 ending December 31, 2020.

36 ~~(m) Twenty-five percent for each determination~~
37 ~~period beginning on and after January 1, 2021.~~

38 Sec. _____. Section 422.11N, subsection 4, paragraph
39 c, as enacted by 2006 Iowa Acts, House File 2754,
40 section 39, is amended to read as follows:

41 c. The retail dealer's biofuel threshold
42 percentage disparity which is a positive percentage
43 difference obtained by taking the minuend which is the
44 retail dealer's biofuel ~~distribution~~ threshold
45 percentage and subtracting from it the subtrahend
46 which is the retail dealer's biofuel ~~threshold~~
47 distribution percentage, in the retail dealer's
48 applicable determination period.

49 Sec. _____. Section 422.11N, subsection 5, paragraph
50 b, subparagraphs (1) and (2), as enacted by 2006 Iowa

1 Acts, House File 2754, section 39, are amended to read
2 as follows:

3 (1) If a retail dealer has not claimed a tax
4 credit in the retail dealer's previous tax year, the
5 retail dealer may claim the tax credit in the retail
6 dealer's current tax year for that period beginning on
7 January 1 of the retail dealer's previous tax year to
8 the last day of the retail dealer's previous tax year.
9 For that period the retail dealer shall calculate the
10 tax credit in the same manner as a retail dealer who
11 will calculate the tax credit on December 31 of that
12 calendar year as provided in paragraph "a".

13 (2) (a) For the period beginning on the first day
14 of the retail dealer's tax year until December 31, the
15 retail dealer shall calculate the tax credit in the
16 same manner as a retail dealer who calculates the tax
17 credit on that same December 31 as provided in
18 paragraph "a".

19 ~~(2)~~ (b) For the period beginning on January 1 to
20 the end of the retail dealer's tax year, the retail
21 dealer shall calculate the tax credit in the same
22 manner as a retail dealer who will calculate the tax
23 credit on the following December 31 as provided in
24 paragraph "a".

25 Sec. ____ . Section 422.11N, subsection 9, as
26 enacted by 2006 Iowa Acts, House File 2754, section
27 39, is amended to read as follows:

28 9. This section is repealed on January 1, 2026
29 2021.

30 Sec. ____ . Section 422.110, subsection 4,
31 paragraphs a and b, as enacted by 2006 Iowa Acts,
32 House File 2754, section 40, are amended to read as
33 follows:

34 a. If a retail dealer has not claimed a tax credit
35 in the retail dealer's previous tax year, the retail
36 dealer may claim the tax credit in the retail dealer's
37 current tax year for that period beginning on January
38 1 of the retail dealer's previous tax year to the last
39 day of the retail dealer's previous tax year. For
40 that period the retail dealer shall calculate the tax
41 credit in the same manner as a retail dealer who will
42 calculate the tax credit on December 31 of that
43 calendar year as provided in subsection 3.

44 b. (1) For the period beginning on the first day
45 of the retail dealer's tax year until December 31, the
46 retail dealer shall calculate the tax credit in the
47 same manner as a retail dealer who calculates the tax
48 credit on that same December 31 as provided in
49 subsection 3.

50 ~~b-~~ (2) For the period beginning on January 1 to

1 the end of the retail dealer's tax year, the retail
2 dealer shall calculate the tax credit in the same
3 manner as a retail dealer who will calculate the tax
4 credit on the following December 31 as provided in
5 subsection 3.

6 Sec. ____ . Section 422.33, subsection 11A,
7 paragraph c, as enacted by 2006 Iowa Acts, House File
8 2754, section 46, is amended to read as follows:

9 c. This subsection is repealed on January 1, ~~2026~~
10 2021.

11 Sec. ____ . 2006 Iowa Acts, House File 2754, section
12 49, subsection 2, is amended to read as follows:

13 2. For a retail dealer who may claim an ethanol
14 promotion tax credit under section 422.11N or 422.33,
15 subsection 11A, as enacted in this Act, in calendar
16 year ~~2025~~ 2020 and whose tax year ends prior to
17 December 31, ~~2025~~ 2020, the retail dealer may continue
18 to claim the tax credit in the retail dealer's
19 following tax year. In that case, the tax credit
20 shall be calculated in the same manner as provided in
21 section 422.11N or 422.33, subsection 11A, as enacted
22 in this Act, for the remaining period beginning on the
23 first day of the retail dealer's new tax year until
24 December 31, ~~2025~~ 2020. For that remaining period,
25 the tax credit shall be calculated in the same manner
26 as a retail dealer whose tax year began on the
27 previous January 1 and who is calculating the tax
28 credit on December 31, ~~2025~~ 2020.

29 Sec. ____ . 2006 Iowa Acts, House File 2754, section
30 83, subsection 4, is amended to read as follows:

31 4. Sections 214A.1, 214A.4, ~~214A.5, 214A.7,~~
32 214A.8, and 214A.10, Code 2005, are amended by
33 striking from the provisions the words "oxygenate
34 octane enhancer" and inserting the following:
35 "oxygenate".

36 Sec. ____ . NEW SECTION. 455G.3A SPECIAL
37 APPROPRIATION -- RENEWABLE FUEL INFRASTRUCTURE FUND.

38 1. Notwithstanding section 455G.3, for the fiscal
39 period beginning July 1, 2006, and ending June 30,
40 2008, there is appropriated each fiscal year from the
41 Iowa comprehensive petroleum underground storage tank
42 fund created in section 455G.3, to the renewable fuel
43 infrastructure fund, created in section 15G.119, three
44 million five hundred thousand dollars.

45 2. This section is repealed on July 1, 2008.

46 Sec. ____ . Section 15.401, Code Supplement 2005, is
47 repealed.

48 Sec. ____ . TRANSFER OF MONEYS. Moneys appropriated
49 to the Iowa department of economic development for the
50 purposes provided in section 15.401 shall be

1 transferred to the renewable fuel infrastructure fund
2 created in section 15G.119, as enacted by this Act, to
3 be expended as provided in sections 15G.116 and
4 15G.117, as enacted by 2006 Iowa Acts, House File
5 2754, sections 30 and 31.

6 Sec. ____: MOTOR FUEL INSPECTION. There is
7 appropriated from the renewable fuel infrastructure
8 fund as created in section 15G.119, as enacted in this
9 Act, to the department of agriculture and land
10 stewardship for each fiscal year of the fiscal period
11 beginning July 1, 2006, and ending June 30, 2008, the
12 following amount, or so much thereof as is necessary,
13 to be used for the purposes designated:

14 For purposes of the inspection of motor fuel,
15 including salaries, support, maintenance,
16 miscellaneous purposes, and for not more than the
17 following full-time equivalent positions:

18	\$	300,000
19	FTEs	3.00

20 The department shall establish and administer
21 programs for the auditing of motor fuel including
22 biofuel processing and production plants, for
23 screening and testing motor fuel, including renewable
24 fuel, and for the inspection of motor fuel sold by
25 dealers including retail dealers who sell and dispense
26 motor fuel from motor fuel pumps."

27 2. Page 2, line 14, by striking the words "This
28 Act is" and inserting the following: "The sections of
29 this Act, other than the section of this Act enacting
30 section 214A.1A, are".

31 3. Page 2, by inserting after line 15 the
32 following:

33 "Sec. ____ . SPECIAL EFFECTIVE DATE. The section of
34 this Act enacting section 214A.1A, being deemed of
35 immediate importance, takes effect upon enactment."

36 4. Title page, line 1, by inserting before the
37 word "providing" the following: "relating to
38 renewable fuel, by".

39 5. Title page, line 2, by inserting after the
40 word "infrastructure," the following: "providing for
41 tax credits,".

42 6. Title page, lines 2 and 3, by striking the
43 words "a contingent effective date" and inserting the
44 following: "contingent and other effective dates".

45 7. By renumbering as necessary.

RECEIVED FROM THE SENATE

HOUSE FILE 2759

H-8595

1 Amend the Senate amendment, H-8586, to House File
2 2759, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 1, line 43, by inserting before the word
5 "Up" the following: "The renewable fuel
6 infrastructure board may also allocate any amount of
7 moneys appropriated pursuant to section 455G.3A to
8 support the biorefinery technology projects program as
9 provided in section 15G.120."

10 2. Page 2, by inserting after line 12 the
11 following:

12 "Sec. ____ . NEW SECTION. 15G.120 BIOREFINERY
13 TECHNOLOGY PROJECTS PROGRAM.

14 A biorefinery technology projects program is
15 established in order to assist persons engaged in the
16 research, development, and commercialization of
17 integrated biorefinery technology projects. As
18 determined by the renewable fuel infrastructure board,
19 a project must further the production of liquid
20 renewable fuels and other high-value coproducts that
21 use nonfood agricultural crops as biofuel stock.

22 1. An application for an integrated biorefinery
23 technology project must be filed with the department
24 as required by the department and must at a minimum
25 include all of the following:

26 a. A business plan that demonstrates managerial
27 and technical expertise.

28 b. A fundraising plan that demonstrates private
29 investment contributions and possible federal
30 government contributions.

31 c. The probability of the future creation of new
32 high-quality jobs.

33 d. The probability of improvements to the
34 environment.

35 e. The probability of reductions in fossil fuel
36 use.

37 f. The use of research or technology developed in
38 this state by a college, university, business, or
39 governmental agency.

40 g. The potential for further technological
41 development in this state.

42 h. The feasibility that a proposed biorefinery
43 will remain a viable enterprise in the state.

44 i. Any other component that the Iowa economic
45 development board determines to be reasonable and
46 necessary to promote the viability of the project and
47 further the public interest.

48 2. The renewable fuel infrastructure board may
49 establish terms and conditions for the allocation of
50 the moneys."

H-8595

-1-

H-8595

Page 2

1 3. By renumbering as necessary.

By HOGG of Linn

H-8595 FILED MAY 1, 2006

LOST

Sands, Ch.
De Boef
Thomas

Supp. by
SF 02759

HSB 767
APPROPRIATIONS

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON RAECKER)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the appropriation of moneys to support
2 renewable fuel infrastructure, and providing for a contingent
3 effective date.

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

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

1 Section 1. Section 15G.111, subsection 1, paragraph a,
2 Code Supplement 2005, is amended to read as follows:

3 a. For the fiscal period beginning July 1, 2005, and
4 ending June 30, 2015, there is appropriated each fiscal year
5 from the grow Iowa values fund created in section 15G.108, to
6 the following amounts for the purposes designated:

7 (1) (a) For the fiscal year beginning July 1, 2005, and
8 ending June 30, 2006, to the department of economic
9 development thirty-five million dollars for programs
10 administered by the department of economic development.

11 (b) This subparagraph (1) is repealed on July 1, 2006.

12 (2) (a) For each fiscal year of the fiscal period
13 beginning July 1, 2006, and ending June 30, 2009, to the
14 department of economic development thirty-three million
15 dollars for programs administered by the department of
16 economic development.

17 (b) This subparagraph (2) is repealed on July 1, 2009.

18 (3) (a) For each fiscal year of the fiscal period
19 beginning July 1, 2009, and ending June 30, 2015, to the
20 department of economic development thirty-five million dollars
21 for programs administered by the department of economic
22 development.

23 (b) This subparagraph (3) is repealed on July 1, 2015.

24 Sec. 2. Section 15G.111, Code Supplement 2005, is amended
25 by adding the following new subsection:

26 NEW SUBSECTION. 6A. a. For the fiscal period beginning
27 July 1, 2006, and ending June 30, 2009, there is appropriated
28 each fiscal year from the grow Iowa values fund created in
29 section 15G.108 to the department of natural resources two
30 million dollars for deposit in the renewable fuel
31 infrastructure fund as enacted in 2006 Iowa Acts, House File
32 2735, to be expended as provided in that Act.

33 b. This subsection is repealed on July 1, 2009.

34 Sec. 3. CONTINGENT EFFECTIVE DATE. This Act is contingent
35 upon the establishment of a renewable fuel infrastructure fund

1 as enacted in 2006 Iowa Acts, House File 2735.

2

EXPLANATION

3 This bill is related to H.F. 2735, which is pending in the
4 general assembly, providing for the formulation of motor fuel
5 by providing for renewable fuel, including ethanol blended
6 fuel and biodiesel blended fuel. Part of that bill
7 establishes a renewable fuel infrastructure fund. The fund is
8 under the control of the department of natural resources to be
9 allocated between supporting infrastructure relating to the
10 storage and dispensing of E-85 gasoline at service stations
11 and biodiesel at terminals. The purpose of the renewable fuel
12 infrastructure program for service stations is to provide
13 cost-share financial assistance to service stations
14 installing, replacing, or converting motor fuel storage and
15 dispensing infrastructure designed and used exclusively for E-
16 85 gasoline, biodiesel, or biodiesel blended fuel. The
17 purpose of the renewable fuel infrastructure program for
18 biodiesel terminal facilities is to provide cost-share
19 financial assistance to support infrastructure designed and
20 used exclusively to store and distribute biodiesel or
21 biodiesel blended fuel.

22 Code section 15G.110 creates a standing general fund
23 appropriation to the Iowa values fund of \$50 million for each
24 fiscal year beginning July 1, 2005, and ending June 30, 2015,
25 to support a number of entities, including the Iowa department
26 of economic development, which annually receives \$35 million
27 of that amount. A percentage of that amount is to be used for
28 a variety of purposes such as business start-ups, expansions,
29 modernization, attraction, retention, marketing, and research
30 and development.

31 The bill appropriates \$2 million from the Iowa values fund
32 for each fiscal year beginning July 1, 2006, and ending June
33 30, 2009, to the department of natural resources for deposit
34 into the renewable fuel infrastructure fund, and reduces the
35 same amount which would otherwise be allocated to the Iowa

1 department of economic development.

2 The bill takes effect only if the renewable fuel
3 infrastructure fund as established in H.F. 2735 is enacted.

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 2759

AN ACT

RELATING TO RENEWABLE FUEL, BY PROVIDING FOR THE APPROPRIATION OF MONEYS TO SUPPORT RENEWABLE FUEL INFRASTRUCTURE, PROVIDING FOR TAX CREDITS, AND PROVIDING CONTINGENT AND OTHER EFFECTIVE DATES.

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

Section 1. Section 15G.111, subsection 1, paragraph a, Code Supplement 2005, is amended to read as follows:

a. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, to the following amounts for the purposes designated:

(1) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, to the department of economic development thirty-five million dollars for programs administered by the department of economic development.

(2) For each fiscal year of the fiscal period beginning July 1, 2006, and ending June 30, 2009, to the department of economic development thirty-three million dollars for programs administered by the department of economic development.

(3) For each fiscal year of the fiscal period beginning July 1, 2009, and ending June 30, 2015, to the department of economic development thirty-five million dollars for programs administered by the department of economic development.

Sec. 2. Section 15G.111, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. a. For the fiscal period beginning July 1, 2006, and ending June 30, 2009, there is appropriated for each fiscal year from the grow Iowa values fund created in section 15G.108 two million dollars for deposit in the renewable fuel infrastructure fund as provided in section 15G.119.

b. This subsection is repealed on July 1, 2009.

Sec. 3. Section 15G.114, as enacted by 2006 Iowa Acts, House File 2754, section 28, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. "Infrastructure fund" means the renewable fuel infrastructure fund created in section 15G.119.

Sec. 4. Section 15G.116, subsection 3, as enacted by 2006 Iowa Acts, House File 2754, section 30, is amended by striking the subsection.

Sec. 5. Section 15G.117, subsection 2, as enacted by 2006 Iowa Acts, House File 2754, section 31, is amended by striking the subsection.

Sec. 6. NEW SECTION. 15G.119 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 the renewable fuel infrastructure programs as provided in sections 15G.116 and 15G.117, as enacted by 2006 Iowa Acts, House File 2754, sections 30 and 31, as allocated in financial incentives by the renewable fuel infrastructure board as created in

section 15G.115, as enacted by 2006 Iowa Acts, House File 2754, section 29. Up to fifty thousand dollars shall be allocated each fiscal year to the department to support the administration of 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 for expenditure for the same purposes in the succeeding fiscal year.

Sec. 7. NEW SECTION. 214A.1A MOTOR FUEL QUALITY ASSURANCE SCHEDULE.

1. The department shall adopt a schedule which provides a schedule of departmental improvements required for each fiscal year necessary to assure that motor fuel sold and dispensed from motor fuel pumps in this state meets all applicable standards as provided in section 214A.2. On or before June 1 of each year, and based on the schedule of improvements, the secretary of agriculture shall certify the amount required to implement the improvements required for the next fiscal year to the director of the department of management and the fiscal services division of the legislative services agency. The department of management shall conduct a review of the scheduled improvements for that fiscal year and may reduce the amount certified by the secretary if the department of management determines that a lesser amount is adequate. The

director of the department of management and the secretary shall report their findings to the legislative government oversight committees as required by the committees' chairpersons.

2. For each fiscal year, of the moneys appropriated to each state agency to support the production or use of ethanol, ethanol blended gasoline, biodiesel, or biodiesel blended fuel as defined in section 214A.1, the department of management shall transfer a prorated share of the state agency's appropriation as is necessary to satisfy the amount required to comply with the schedule of improvements for that fiscal year as directed by the department of management. The department of management shall identify each affected appropriation and notify each head of a department of the transfer of the prorated share on or before June 15 of each year.

Sec. 8. Section 214A.2, subsection 2A, paragraph b, subparagraph (4), as enacted by 2006 Iowa Acts, House File 2754, section 7, is amended by striking the subparagraph.

Sec. 9. Section 214A.7, as amended by 2006 Iowa Acts, House File 2754, section 12, is amended to read as follows:
214A.7 DEPARTMENT INSPECTION -- SAMPLES TESTED.

The department shall, from time to time, make or cause to be made tests of any motor vehicle fuel or oxygenate-octane enhancer biofuel which is being sold, or held or offered for sale within this state. An A departmental inspector may enter upon the premises of ~~any-wholesale-dealer-or-retail~~ a dealer, and take from any container a sample of the motor vehicle fuel or oxygenate-octane-enhancer biofuel, not to exceed sixteen fluid ounces. The sample shall be sealed and appropriately marked or labeled by the inspector and delivered to the department. The department shall make, or cause to be made, complete analyses or tests of the motor vehicle fuel or oxygenate-octane-enhancer biofuel by the methods specified in section 214A.2.

Sec. 10. Section 422.11N, subsection 4, paragraph b, subparagraph (1), subparagraph subdivision (k), as enacted by 2006 Iowa Acts, House File 2754, section 39, is amended to read as follows:

(k) Twenty-five percent for each determination period in the period beginning on and after January 1, 2019, and ending on December 31, 2020.

Sec. 11. Section 422.11N, subsection 4, paragraph b, subparagraph (2), subparagraph subdivisions (1) and (m), as enacted by 2006 Iowa Acts, House File 2754, section 39, are amended to read as follows:

(1) ~~Twenty-three~~ Twenty-five percent for the determination period beginning on January 1, 2020, and ending December 31, 2020.

~~(m)---Twenty-five-percent-for-each-determination-period beginning-on-and-after-January-1,-2021-~~

Sec. 12. Section 422.11N, subsection 4, paragraph c, as enacted by 2006 Iowa Acts, House File 2754, section 39, is amended to read as follows:

c. The retail dealer's biofuel threshold percentage disparity which is a positive percentage difference obtained by taking the minuend which is the retail dealer's biofuel distribution threshold percentage and subtracting from it the subtrahend which is the retail dealer's biofuel threshold distribution percentage, in the retail dealer's applicable determination period.

Sec. 13. Section 422.11N, subsection 5, paragraph b, subparagraphs (1) and (2), as enacted by 2006 Iowa Acts, House File 2754, section 39, are amended to read as follows:

(1) If a retail dealer has not claimed a tax credit in the retail dealer's previous tax year, the retail dealer may claim the tax credit in the retail dealer's current tax year for that period beginning on January 1 of the retail dealer's previous tax year to the last day of the retail dealer's previous tax year. For that period the retail dealer shall

calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in paragraph "a".

(2) (a) For the period beginning on the first day of the retail dealer's tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in paragraph "a".

(2) (b) For the period beginning on January 1 to the end of the retail dealer's tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in paragraph "a".

Sec. 14. Section 422.11N, subsection 9, as enacted by 2006 Iowa Acts, House File 2754, section 39, is amended to read as follows:

9. This section is repealed on January 1, ~~2026~~ 2021.

Sec. 15. Section 422.11O, subsection 4, paragraphs a and b, as enacted by 2006 Iowa Acts, House File 2754, section 40, are amended to read as follows:

a. If a retail dealer has not claimed a tax credit in the retail dealer's previous tax year, the retail dealer may claim the tax credit in the retail dealer's current tax year for that period beginning on January 1 of the retail dealer's previous tax year to the last day of the retail dealer's previous tax year. For that period the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in subsection 3.

b. (1) For the period beginning on the first day of the retail dealer's tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in subsection 3.

b- (2) For the period beginning on January 1 to the end of the retail dealer's tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in subsection 3.

Sec. 16. Section 422.33, subsection 11A, paragraph c, as enacted by 2006 Iowa Acts, House File 2754, section 46, is amended to read as follows:

c. This subsection is repealed on January 1, 2026 2021.

Sec. 17. 2006 Iowa Acts, House File 2754, section 49, subsection 2, is amended to read as follows:

2. For a retail dealer who may claim an ethanol promotion tax credit under section 422.11N or 422.33, subsection 11A, as enacted in this Act, in calendar year 2025 2020 and whose tax year ends prior to December 31, 2025 2020, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in section 422.11N or 422.33, subsection 11A, as enacted in this Act, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, 2025 2020. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, 2025 2020.

Sec. 18. 2006 Iowa Acts, House File 2754, section 83, subsection 4, is amended to read as follows:

4. Sections 214A.1, 214A.4, ~~214A.5-214A.7~~ 214A.8, and 214A.10, Code 2005, are amended by striking from the provisions the words "oxygenate octane enhancer" and inserting the following: "oxygenate".

Sec. 19. NEW SECTION. 455G.3A SPECIAL APPROPRIATION -- RENEWABLE FUEL INFRASTRUCTURE FUND.

1. Notwithstanding section 455G.3, for the fiscal period beginning July 1, 2006, and ending June 30, 2008, there is

appropriated each fiscal year from the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, to the renewable fuel infrastructure fund, created in section 15G.119, three million five hundred thousand dollars.

2. This section is repealed on July 1, 2008.

Sec. 20. Section 15.401, Code Supplement 2005, is repealed.

Sec. 21. TRANSFER OF MONEYS. Moneys appropriated to the Iowa department of economic development for the purposes provided in section 15.401 shall be transferred to the renewable fuel infrastructure fund created in section 15G.119, as enacted by this Act, to be expended as provided in sections 15G.116 and 15G.117, as enacted by 2006 Iowa Acts, House File 2754, sections 30 and 31.

Sec. 22. MOTOR FUEL INSPECTION. There is appropriated from the renewable fuel infrastructure fund as created in section 15G.119, as enacted in this Act, to the department of agriculture and land stewardship for each fiscal year of the fiscal period beginning July 1, 2006, and ending June 30, 2008, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of the inspection of motor fuel, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	300,000
.....	FTEs	3.00

The department shall establish and administer programs for the auditing of motor fuel including biofuel processing and production plants, for screening and testing motor fuel, including renewable fuel, and for the inspection of motor fuel sold by dealers including retail dealers who sell and dispense motor fuel from motor fuel pumps.

Sec. 23. CONTINGENT EFFECTIVE DATE. The sections of this Act, other than the section of this Act enacting section

214A.1A, are contingent upon the enactment of 2006 Iowa Acts, House File 2754.

Sec. 24. SPECIAL EFFECTIVE DATE. The section of this Act enacting section 214A.1A, being deemed of immediate importance, takes effect upon enactment.

CHRISTOPHER C. RANTS
Speaker of the House

JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2759, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2006

THOMAS J. VILSACK
Governor