

# House File 2632 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 746)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to renewable fuel, including by providing for  
2 infrastructure associated with storing, blending, and  
3 dispensing renewable fuel, modifying tax credits, providing  
4 for the purchase of renewable fuels by governmental entities,  
5 providing for renewable fuel marketing efforts, providing for  
6 retroactive applicability, and providing an effective date.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
8 TLSB 6451HV 82  
9 da/nh/5

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1 1 DIVISION I  
1 2 RENEWABLE FUEL INFRASTRUCTURE  
1 3 Section 1. Section 15G.201, subsection 1, Code 2007, is  
1 4 amended to read as follows:  
1 5 1. "Biodiesel", "biodiesel blended fuel", "biodiesel  
1 6 fuel", "E=85 gasoline", "ethanol", "ethanol blended gasoline",  
1 7 "gasoline", "motor fuel", "~~motor fuel pump~~", "retail dealer",  
1 8 and "retail motor fuel site" mean the same as defined in  
1 9 section 214A.1.  
1 10 Sec. 2. Section 15G.201, Code 2007, is amended by adding  
1 11 the following new subsections:  
1 12 NEW SUBSECTION. 4A. "Motor fuel pump" and "motor fuel  
1 13 blender pump" or "blender pump" mean the same as defined in  
1 14 section 214.1.  
1 15 NEW SUBSECTION. 5A. "Tank vehicle" means the same as  
1 16 defined in section 321.1.  
1 17 Sec. 3. Section 15G.201, subsection 6, Code 2007, is  
1 18 amended by adding the following new paragraph:  
1 19 NEW PARAGRAPH. c. A biofuel manufacturer that is in the  
1 20 business of producing ethanol or biodiesel from biomass as  
1 21 defined in section 469.31.  
1 22 Sec. 4. NEW SECTION. 15G.201A CLASSIFICATION OF  
1 23 RENEWABLE FUEL.  
1 24 For purposes of this division, ethanol blended fuel and  
1 25 biodiesel fuel shall be classified in the same manner as  
1 26 provided in section 214A.2.  
1 27 Sec. 5. Section 15G.203, subsection 1, Code Supplement  
1 28 2007, is amended to read as follows:  
1 29 1. The purpose of the program is to improve retail motor  
1 30 fuel sites by installing, replacing, or converting ~~motor fuel~~  
1 31 ~~storage and dispensing infrastructure. The infrastructure~~  
1 32 ~~must be to be used to store, blend, or dispense renewable~~  
1 33 ~~fuel. The infrastructure shall be ethanol infrastructure or~~  
1 34 ~~biodiesel infrastructure.~~  
1 35 a. (1) Ethanol infrastructure shall be designed and shall  
2 1 be used exclusively to store do any of the following:  
2 2 (a) Store and dispense renewable fuel which is E=85  
2 3 gasoline.  
2 4 (b) Store, blend, and dispense motor fuel from a motor  
2 5 fuel blender pump, as required in this subparagraph  
2 6 subdivision. The ethanol infrastructure may provide for the  
2 7 storage of ethanol or ethanol blended gasoline, or for  
2 8 blending ethanol with gasoline, so long as the ethanol  
2 9 infrastructure includes a motor fuel blender pump which  
2 10 dispenses different classifications of ethanol blended  
2 11 gasoline and which allows E=85 gasoline to be dispensed at all  
2 12 times that the blender pump is operating.  
2 13 (2) Biodiesel infrastructure shall be designed and used  
2 14 exclusively to do any of the following:

2 15 (a) Store and dispense biodiesel, or biodiesel blended  
2 16 fuel on the.  
2 17 (b) Blend or dispense biodiesel fuel from a motor fuel  
2 18 blender pump.

2 19 b. The infrastructure must be part of any of the  
2 20 following:

2 21 (1) The premises of a retail motor fuel sites site  
2 22 operated by a retail dealers dealer.

2 23 (2) A tank vehicle operated by a retail dealer who  
2 24 operates the premises of a retail motor fuel site.

2 25 c. The retail dealer must have been licensed as a dealer  
2 26 pursuant to section 452A.4 for at least two years prior to the  
2 27 effective date of this Act.

2 28 Sec. 6. Section 15G.203, subsection 3, Code Supplement  
2 29 2007, is amended by striking the subsection.

2 30 Sec. 7. Section 15G.203, subsection 4, paragraph b,  
2 31 subparagraphs (3) and (4), Code Supplement 2007, are amended  
2 32 to read as follows:

2 33 (3) A statement describing how the retail motor fuel site  
2 34 is to be improved, the total estimated cost of the planned  
2 35 improvement, and the date when the infrastructure will be  
3 1 first used to store and dispense the renewable fuel.

3 2 (4) A statement certifying that the infrastructure shall  
3 3 not only be used to store or dispense motor fuel other than  
3 4 E-85 gasoline, biodiesel, or biodiesel blended fuel to comply  
3 5 with the provisions of this section and as specified in the

3 6 cost-share agreement, unless granted a waiver by the  
3 7 infrastructure board pursuant to this section. The  
3 8 infrastructure board may approve a waiver to store, blend, or  
3 9 dispense biodiesel fuel for a retail motor fuel site upon the  
3 10 request of a participating person. The waiver shall be for  
3 11 any three-consecutive-month period from November through  
3 12 February to account for temperature-related issues. However,  
3 13 the cost-share agreement shall be extended for the period of  
3 14 the waiver.

3 15 Sec. 8. Section 15G.203, subsection 6, Code Supplement  
3 16 2007, is amended by striking the subsection.

3 17 Sec. 9. Section 15G.203, subsection 7, Code Supplement  
3 18 2007, is amended to read as follows:

3 19 7. An award of financial incentives to a participating  
3 20 person shall be on a cost-share basis in the form of a grant.  
3 21 To

3 22 In order to participate in the program, an eligible person  
3 23 must execute a cost-share agreement with the department as  
3 24 approved by the infrastructure board in which the person  
3 25 contributes a percentage of the total costs related to  
3 26 improving the retail motor fuel site. Except as otherwise  
3 27 provided in this section, a cost-share agreement shall not be  
3 28 for more than three years. The infrastructure board may  
3 29 approve multiple improvements to the same retail motor fuel  
3 30 site for the full amount available for both ethanol  
3 31 infrastructure and biodiesel infrastructure so long as the  
3 32 improvements for ethanol infrastructure and for biodiesel  
3 33 infrastructure are made under separate cost-share agreements.

3 34 a. Except as provided in paragraph "b", a participating  
3 35 person may be awarded standard financial incentives. The  
4 1 standard financial incentives awarded to the a participating  
4 2 person for ethanol infrastructure improvements shall not  
4 3 exceed fifty percent of the actual cost of making the  
4 4 improvement or thirty fifty thousand dollars, whichever is  
4 5 less. The standard financial incentives awarded to a  
4 6 participating person for biodiesel infrastructure shall not  
4 7 exceed fifty percent of the actual cost of making the  
4 8 improvement or fifty thousand dollars, whichever is less. The  
4 9 infrastructure board may approve multiple awards of standard  
4 10 financial incentives to make improvements to a retail motor  
4 11 fuel site so long as the total amount of the awards for  
4 12 ethanol infrastructure or biodiesel infrastructure does not  
4 13 exceed the limitations provided in this paragraph.

4 14 b. In addition to any standard financial incentives  
4 15 awarded to a participating person under paragraph "a", the  
4 16 participating person may be awarded supplemental financial  
4 17 incentives to upgrade or replace a dispenser which is part of  
4 18 gasoline storage and dispensing infrastructure used to store  
4 19 and dispense E-85 gasoline as provided in section 455G.31.  
4 20 The participating person is only eligible to receive the  
4 21 supplemental financial incentives if the person installed the  
4 22 dispenser not later than sixty days after the date of the  
4 23 publication in the Iowa administrative bulletin of the state  
4 24 fire marshal's order providing that a commercially available  
4 25 dispenser is listed as compatible for use with E-85 gasoline

4 26 by an independent testing laboratory as provided in section  
4 27 455G.31. The supplemental financial incentives awarded to the  
4 28 participating person shall not exceed seventy-five percent of  
4 29 the actual cost of making the improvement or thirty thousand  
4 30 dollars, whichever is less.

4 31 Sec. 10. Section 15G.204, subsection 2, Code Supplement  
4 32 2007, is amended by striking the subsection.

4 33 Sec. 11. Section 15G.204, subsection 4, Code Supplement  
4 34 2007, is amended to read as follows:

4 35 4. a. An award of financial incentives to a participating  
5 1 person shall be in the form of a grant. In order to  
5 2 participate in the program, an eligible person must execute a  
5 3 cost-share agreement with the department as approved by the  
5 4 infrastructure board in which the person contributes a  
5 5 percentage of the total costs related to improving the  
5 6 terminal. The financial incentives awarded to the  
5 7 participating person shall not exceed the following:

5 8 (1) For improvements to store or dispense biodiesel fuel  
5 9 from B=1 or higher but not as high as B=99, fifty percent of  
5 10 the actual cost of making the improvements or fifty thousand  
5 11 dollars, whichever is less.

5 12 (2) For improvements to store or dispense biodiesel fuel  
5 13 from B=99 to B=100, fifty percent of the actual cost of making  
5 14 the improvements or one hundred thousand dollars, whichever is  
5 15 less.

5 16 b. The infrastructure board may approve multiple awards to  
5 17 make improvements to a terminal so long as the total amount of  
5 18 the awards does not exceed the limitations provided in this  
5 19 subsection.

5 20 Sec. 12. Section 214.1, Code 2007, is amended to read as  
5 21 follows:

5 22 214.1 DEFINITIONS.

5 23 ~~For the purpose of As used in this chapter, unless the~~  
5 24 ~~context otherwise requires:~~

5 25 1. "Biodiesel", "biodiesel fuel", "biofuel", "ethanol",  
5 26 "motor fuel", "retail dealer", "retail motor fuel site", and  
5 27 "wholesale dealer" mean the same as defined in section 214A.1.

5 28 2. "Commercial weighing and measuring device" or "device"  
5 29 means the same as defined in section 215.26.

5 30 ~~2.~~ 3. "Motor fuel" means the same as defined in section  
5 31 214A.1 fuel blender pump" or "blender pump" means a motor fuel  
5 32 pump that dispenses a type of motor fuel that is blended from  
5 33 two or more different types of motor fuels and which may  
5 34 dispense more than one type of blended motor fuel.

5 35 ~~3.~~ 4. "Motor fuel pump" means a pump, meter, or similar  
6 1 commercial weighing and measuring device used to measure and  
6 2 dispense motor fuel on a retail basis.

6 3 ~~4.~~ "Retail dealer" means the same as defined in section  
6 4 ~~214A.1.~~

6 5 5. "Wholesale dealer" means the same as defined in section  
6 6 ~~214A.1~~ "Motor fuel storage tank" or "storage tank" means an  
6 7 aboveground or belowground container that is a fixture used to  
6 8 store an accumulation of motor fuel.

6 9 Sec. 13. Section 214.9, Code 2007, is amended to read as  
6 10 follows:

6 11 214.9 SELF-SERVICE MOTOR FUEL PUMPS.

6 12 ~~Self-service~~ A self-service motor fuel pumps pump located  
6 13 at a retail motor vehicle fuel stations site may be equipped  
6 14 with an automatic latch-open devices device on the fuel  
6 15 dispensing hose nozzle only if the nozzle valve is the  
6 16 automatic closing type.

6 17 Sec. 14. Section 214A.1, Code 2007, is amended by adding  
6 18 the following new subsection:

6 19 NEW SUBSECTION. 4A. "Biodiesel fuel" means biodiesel or  
6 20 biodiesel blended fuel.

6 21 Sec. 15. Section 214A.1, subsections 9, 14, and 15, Code  
6 22 2007, are amended to read as follows:

6 23 9. "E=85 gasoline" means ethanol blended gasoline  
6 24 formulated with a ~~minimum~~ percentage of between seventy and  
6 25 eighty-five percent by volume of ethanol, if the formulation  
6 26 meets the standards provided in section 214A.2.

6 27 14. "Motor fuel pump" and "motor fuel blender pump" or  
6 28 "blender pump" means the same as defined in section 214.1.

6 29 15. "Motor fuel storage tank" means an aboveground or  
6 30 belowground container that is a fixture, used to keep an  
6 31 accumulation of motor fuel the same as defined in section  
6 32 214.1.

6 33 Sec. 16. Section 214A.1, Code 2007, is amended by adding  
6 34 the following new subsection:

6 35 NEW SUBSECTION. 21A. "Unleaded gasoline" means gasoline,  
7 1 including ethanol blended gasoline, if all of the following

7 2 applies:

7 3 a. It has an octane number of not less than eighty-seven  
7 4 as provided in section 214A.2.

7 5 b. Lead or phosphorus compounds have not been  
7 6 intentionally added to it.

7 7 c. It does not contain more than thirteen thousandths  
7 8 grams of lead per liter and not more than thirteen  
7 9 ten-thousandths grams of phosphorus per liter.

7 10 Sec. 17. Section 214A.2, subsection 3, paragraph b, Code  
7 11 2007, is amended to read as follows:

7 12 b. If the motor fuel is advertised for sale or sold as  
7 13 ethanol blended gasoline, the motor fuel must comply with  
7 14 departmental standards which shall ~~comply with specifications~~  
7 15 ~~for ethanol blended gasoline adopted by A.S.T.M.~~

7 16 ~~international. For ethanol blended gasoline meet~~ all of the  
7 17 following ~~shall apply~~ requirements:

7 18 (1) Ethanol must be an agriculturally derived ethyl  
7 19 alcohol that meets A.S.T.M. international specification D4806  
7 20 for denatured fuel ethanol for blending with gasoline for use  
7 21 as automotive spark-ignition engine fuel, or a successor  
7 22 A.S.T.M. international specification, as established by rules  
7 23 adopted by the department.

7 24 (2) Gasoline blended with ethanol must meet any of the  
7 25 following requirements:

7 26 (a) For the gasoline, A.S.T.M. international specification  
7 27 D4814.

7 28 (b) For the ethanol blended gasoline, A.S.T.M.  
7 29 international specification D4814.

7 30 (c) For the gasoline, A.S.T.M. international specification  
7 31 D4814 except for distillation, if, for E=10 or a

7 32 classification below E=10, the ethanol blended gasoline meets  
7 33 the requirements of A.S.T.M. international specification

7 34 D4814.

7 35 (3) For ethanol blended gasoline other than E=85 gasoline,  
8 1 at least ~~ten~~ nine percent of the gasoline by volume must be  
8 2 ethanol.

8 3 ~~(3)~~ (4) A vapor pressure tolerance not to exceed one pound  
8 4 per square inch.

8 5 (5) E=85 gasoline must be an agriculturally derived ethyl  
8 6 alcohol that meets A.S.T.M. international specification D5798,  
8 7 described as a fuel blend for use in ground vehicles with  
8 8 automotive spark-ignition engines, or a successor A.S.T.M.  
8 9 international specification, as established by rules adopted  
8 10 by the department.

8 11 Sec. 18. Section 214A.2, Code 2007, is amended by adding  
8 12 the following new subsection:

8 13 NEW SUBSECTION. 4A. Ethanol blended gasoline shall be  
8 14 designated E=xx where "xx" is the volume percent of ethanol in  
8 15 the ethanol blended gasoline and biodiesel shall be designated  
8 16 B=xx where "xx" is the volume percent of biodiesel.

8 17 Sec. 19. Section 214A.2B, Code Supplement 2007, is amended  
8 18 to read as follows:

8 19 214A.2B LABORATORY FOR MOTOR FUEL AND BIOFUELS.

8 20 A laboratory for motor fuel and biofuels is established at  
8 21 a merged area school which is engaged in biofuels testing on  
8 22 July 1, 2007, and which testing includes but is not limited to

8 23 ~~B20~~ B=20 biodiesel fuel testing for motor trucks and the  
8 24 ability of biofuels to meet A.S.T.M. international standards.

8 25 The laboratory shall conduct testing of motor fuel sold in  
8 26 this state and biofuel which is blended in motor fuel in this  
8 27 state to ensure that the motor fuel or biofuels meet the  
8 28 requirements in section 214A.2.

8 29 Sec. 20. Section 214A.3, subsection 2, paragraph b, Code  
8 30 2007, is amended to read as follows:

8 31 b. (1) Ethanol blended gasoline sold by a dealer shall be  
8 32 designated ~~E=xx where "xx" is the volume percent of ethanol in~~

8 33 ~~the ethanol blended gasoline according to its classification~~  
8 34 ~~as provided in section 214A.2. However, a person advertising~~

8 35 ~~E=10 gasoline may only designate it as ethanol blended~~  
9 1 ~~gasoline. A person advertising ethanol blended gasoline~~  
9 2 ~~formulated with a percentage of between seventy and~~  
9 3 ~~eighty-five percent by volume of ethanol shall designate it as~~

9 4 ~~E=85. A person shall not knowingly falsely advertise ethanol~~  
9 5 ~~blended gasoline by using an inaccurate designation in~~  
9 6 ~~violation of this subparagraph.~~

9 7 (2) Biodiesel ~~blended~~ fuel shall be designated ~~B=xx where~~  
9 8 ~~"xx" is the volume percent of biodiesel in the biodiesel~~

9 9 ~~blended fuel according to its classification as provided in~~  
9 10 ~~section 214A.2. A person shall not knowingly falsely~~

9 11 ~~advertise biodiesel blended fuel by using an inaccurate~~  
9 12 ~~designation in violation of this subparagraph.~~

9 13 Sec. 21. Section 455G.31, subsection 1, Code Supplement  
9 14 2007, is amended by adding the following new paragraph:  
9 15 NEW PARAGRAPH. 0a. "Dispenser" includes a motor fuel pump  
9 16 as defined in section 214.1, including but not limited to a  
9 17 motor fuel blender pump.  
9 18 Sec. 22. Section 455G.31, subsection 1, paragraph b, Code  
9 19 Supplement 2007, is amended to read as follows:  
9 20 b. "Gasoline storage and dispensing infrastructure" means  
9 21 any storage tank located below ground or above ground and any  
9 22 associated equipment including but not limited to a pipe,  
9 23 hose, connection, fitting seal, or motor fuel pump, which is  
9 24 used to store, measure, and dispense gasoline by a retail  
9 25 dealer.  
9 26 Sec. 23. Section 15.401, Code 2007, is repealed.  
9 27 Sec. 24. APPLICATIONS == RENEWABLE FUEL INFRASTRUCTURE  
9 28 PROGRAM FOR RETAIL MOTOR FUEL SITES. A person who has already  
9 29 received an award of financial incentives prior to the  
9 30 effective date of this Act pursuant to section 15G.203 for the  
9 31 costs of making improvements to ethanol infrastructure or  
9 32 biodiesel infrastructure at a retail motor fuel site may  
9 33 receive additional financial incentives for those same  
9 34 improvements pursuant to section 15G.203 as amended by this  
9 35 Act. The total amount of standard financial incentives  
10 1 awarded to the person for making an improvement for ethanol  
10 2 infrastructure shall not exceed fifty percent of the actual  
10 3 cost of making the improvement or fifty thousand dollars,  
10 4 whichever is less. The total amount of standard financial  
10 5 incentives awarded to the person for making an improvement for  
10 6 biodiesel infrastructure shall not exceed fifty percent of the  
10 7 actual cost of making the improvement or fifty thousand  
10 8 dollars, whichever is less.  
10 9 Sec. 25. APPLICATIONS == RENEWABLE FUEL INFRASTRUCTURE  
10 10 PROGRAM FOR BIODIESEL TERMINAL FACILITIES. A person who has  
10 11 already received an award of financial incentives prior to the  
10 12 effective date of this Act pursuant to section 15G.204 for the  
10 13 costs of making improvements to biodiesel terminal facilities  
10 14 to store or dispense biodiesel fuel from B=99 to B=100 may  
10 15 receive additional financial incentives for those same  
10 16 improvements pursuant to section 15G.204 as amended by this  
10 17 Act. The total amount of financial incentives awarded to the  
10 18 person for making such improvements shall not exceed in total  
10 19 fifty percent of the actual cost of making the improvements or  
10 20 one hundred thousand dollars, whichever is less.  
10 21 Sec. 26. LEGISLATIVE INTENT == FUTURE REVENUE SOURCES. It  
10 22 is the intent of the general assembly that all options be  
10 23 examined in order to continue the financing of renewable fuel  
10 24 infrastructure as provided in chapter 15G, subchapter II.  
10 25 DIVISION II  
10 26 INCOME TAX CREDIT  
10 27 Sec. 27. Section 422.11N, subsection 4, paragraph b,  
10 28 subparagraph (3), subparagraph subdivision (b), Code  
10 29 Supplement 2007, is amended to read as follows:  
10 30 (b) A shortage in the available biofuel feedstock  
10 31 resulting in a dramatic decrease in biofuel inventories.  
10 32 (c) Market conditions prevent ethanol blended gasoline  
10 33 from being priced in a manner that is competitive with  
10 34 gasoline that is not ethanol blended gasoline or that prevents  
10 35 biodiesel fuel from being priced in a manner that is  
11 1 competitive with diesel fuel that is not biodiesel fuel,  
11 2 including all state incentives. The governor shall consider  
11 3 adjusting the biofuel threshold percentage at any time that,  
11 4 based on a statewide retail sale average, any of the following  
11 5 applies:  
11 6 (i) Ethanol blended gasoline is more than forty percent  
11 7 more than gasoline that is not ethanol blended gasoline.  
11 8 (ii) Biodiesel fuel is more than forty percent more than  
11 9 diesel fuel that is not biodiesel fuel.  
11 10 Sec. 28. Section 422.11P, subsection 1, paragraph a, Code  
11 11 Supplement 2007, is amended to read as follows:  
11 12 a. "Biodiesel ~~blended~~ fuel", "diesel fuel", and "retail  
11 13 dealer" mean the same as defined in section 214A.1.  
11 14 Sec. 29. Section 422.11P, subsections 2 and 3, Code  
11 15 Supplement 2007, are amended to read as follows:  
11 16 2. a. The taxes imposed under this division, less the  
11 17 credits allowed under section 422.12, shall be reduced by the  
11 18 amount of the biodiesel ~~blended~~ fuel tax credit for each tax  
11 19 year that the taxpayer is eligible to claim a tax credit under  
11 20 this subsection. For a taxpayer  
11 21 ~~a. In order~~ to be eligible, all of the following must  
11 22 apply:  
11 23 (1) The taxpayer is a retail dealer who sells and

11 24 dispenses biodiesel blended fuel through a motor fuel pump in  
11 25 the tax year in which the tax credit is claimed.  
11 26 ~~(2) Of the total gallons of diesel fuel that the retail~~  
11 27 ~~dealer sells and dispenses through all motor fuel pumps during~~  
11 28 ~~the retail dealer's tax year, fifty percent or more is~~  
11 29 ~~biodiesel blended fuel which meets the requirements of this~~  
11 30 ~~section.~~

11 31 ~~(3) (2) The retail dealer complies with requirements of~~  
11 32 ~~the department established to administer this section.~~

11 33 ~~b. The tax credit shall apply to biodiesel blended fuel~~  
11 34 ~~formulated with a minimum percentage of two percent by volume~~  
11 35 ~~of biodiesel, if the formulation meets the standards provided~~  
12 1 ~~in section 214A.2.~~

12 2 ~~b. The tax credit shall be calculated separately for each~~  
12 3 ~~retail motor fuel site operated by the taxpayer.~~

12 4 ~~3. The amount of the tax credit is three cents multiplied~~  
12 5 ~~calculated by multiplying a designated rate by the total~~  
12 6 ~~number of gallons of each class of biodiesel blended fuel sold~~  
12 7 ~~and dispensed by the retail dealer through all motor fuel~~  
12 8 ~~pumps operated by the retail dealer during the retail dealer's~~  
12 9 ~~tax year. The biodiesel fuel must meet the standards provided~~  
12 10 ~~for in section 214A.2. The classes of biodiesel fuel shall be~~  
12 11 ~~the same as provided in that section. The schedule of~~  
12 12 ~~designated rates for each class of biodiesel fuel is as~~  
12 13 ~~follows:~~

12 14 ~~a. Three cents for biodiesel fuel which is classified as~~  
12 15 ~~B=2 or higher, but is not as high as B=5.~~

12 16 ~~b. Seven and one-half cents for biodiesel fuel which is~~  
12 17 ~~classified as B=5 or higher, but is not as high as B=10.~~

12 18 ~~c. Fifteen cents for biodiesel fuel which is classified as~~  
12 19 ~~B=10 or higher, but is not as high as B=20.~~

12 20 ~~d. Thirty cents for biodiesel fuel which is classified as~~  
12 21 ~~B=20 or higher.~~

12 22 ~~Sec. 30. Section 422.33, subsection 11C, paragraph c, Code~~  
12 23 ~~Supplement 2007, is amended to read as follows:~~

12 24 ~~c. The tax credit shall be calculated separately for each~~  
12 25 ~~retail motor fuel site operated by the taxpayer.~~

12 26 ~~d. This subsection is repealed on January 1, 2012.~~

12 27 ~~Sec. 31. ETHANOL BLENDED GASOLINE TAX CREDITS ==~~  
12 28 ~~TRANSITION. The department of revenue shall to every extent~~  
12 29 ~~feasible provide for a simple transition for a taxpayer to~~  
12 30 ~~claim an ethanol blended gasoline tax credit as provided in~~  
12 31 ~~section 422.11C or section 422.33, subsection 11C, for the~~  
12 32 ~~taxpayer's last tax year before the section is repealed on~~  
12 33 ~~January 1, 2009, and then to claim the ethanol promotion tax~~  
12 34 ~~credit as provided in section 422.11N or section 422.33,~~  
12 35 ~~subsection 11A, commencing on January 1, 2009, for the~~  
13 1 ~~taxpayer's succeeding tax year.~~

13 2 ~~Sec. 32. RETROACTIVE APPLICABILITY DATE. Section 422.11P,~~  
13 3 ~~as amended in this Act, and section 422.33, subsection 11C, as~~  
13 4 ~~applied due to the enactment of this Act, shall apply~~  
13 5 ~~retroactively to the tax year beginning on or after January 1,~~  
13 6 ~~2008.~~

13 7 ~~DIVISION III~~  
13 8 ~~RENEWABLE FUEL REPORTING REQUIREMENTS~~

13 9 ~~Sec. 33. Section 452A.33, subsection 1, Code 2007, is~~  
13 10 ~~amended to read as follows:~~

13 11 ~~1. a. Each retail dealer shall report its The department~~  
13 12 ~~shall monitor the total motor fuel gallonage for each retail~~  
13 13 ~~motor fuel site or other permanent or temporary location from~~  
13 14 ~~which the retail dealer sells and dispenses motor fuel during~~  
13 15 ~~a determination period as follows: The department shall~~  
13 16 ~~monitor all of the following:~~

13 17 ~~(1) Its The total gasoline gallonage and its total ethanol~~  
13 18 ~~gallonage, including for each classification and~~  
13 19 ~~subclassification as provided in section 452A.31.~~

13 20 ~~(2) Its The total diesel fuel gallonage and its total~~  
13 21 ~~biodiesel gallonage, including for each classification and~~  
13 22 ~~subclassification as provided in section 452A.31.~~

13 23 ~~b. The report shall include a breakdown of the information~~  
13 24 ~~required in paragraph "a" for each retail motor fuel site or~~  
13 25 ~~other permanent or temporary location from which the retail~~  
13 26 ~~dealer sells and dispenses motor fuel.~~

13 27 ~~c. The retail dealer shall prepare and submit the report~~  
13 28 ~~in a manner and according to procedures required by the~~  
13 29 ~~department. The department may require that retail dealers~~  
13 30 ~~report to the department on an annual, quarterly, or monthly~~  
13 31 ~~basis.~~

13 32 ~~d. b. The Any information included in a report submitted~~  
13 33 ~~by obtained from a wholesale dealer or a retail dealer by the~~  
13 34 ~~department is deemed to be a trade secret, protected as a~~

13 35 confidential record pursuant to section 22.7.

14 1 Sec. 34. Section 452A.33, subsection 2, unnumbered

14 2 paragraph 1, Code 2007, is amended to read as follows:

14 3 On or before February 1 the department shall deliver a  
14 4 report to the governor and the legislative services agency.  
14 5 The report shall compile any information reported by retail  
~~14 6 dealers to the obtained by the~~ department as provided in this  
14 7 section and shall at least which may include all of the  
14 8 following:

14 9  
14 10 DIVISION IV  
14 11 GOVERNMENT FLEET PURCHASES  
14 12 OF RENEWABLE FUELS

14 12 Sec. 35. Section 8A.362, subsection 3, paragraph b, Code  
14 13 Supplement 2007, is amended to read as follows:

14 14 b. A gasoline-powered motor vehicle operated under this  
14 15 subsection shall not operate on gasoline other than ethanol  
14 16 blended gasoline as defined in section 214A.1, unless under  
14 17 emergency circumstances. A diesel-powered motor vehicle  
~~14 18 operated under this subsection shall not operate on diesel~~  
~~14 19 fuel other than biodiesel fuel as defined in section 214A.1,~~  
~~14 20 if commercially available. A state-issued credit card used to~~  
~~14 21 purchase gasoline~~ shall not be valid to purchase gasoline  
14 22 other than ethanol blended gasoline, if commercially  
14 23 available, or to purchase diesel fuel other than biodiesel  
~~14 24 fuel, if commercially available.~~ The motor vehicle shall also  
14 25 be affixed with a brightly visible sticker which notifies the  
14 26 traveling public that the motor vehicle is being operated on  
14 27 ethanol blended gasoline or biodiesel fuel, as applicable.  
14 28 However, the sticker is not required to be affixed to an  
14 29 unmarked vehicle used for purposes of providing law  
14 30 enforcement or security.

14 31 Sec. 36. Section 216B.3, subsection 16, paragraph a, Code  
14 32 Supplement 2007, is amended to read as follows:

14 33 a. A gasoline-powered motor vehicle purchased by the  
14 34 commission shall not operate on gasoline other than ethanol  
14 35 blended gasoline as defined in section 214A.1. A  
~~15 1 diesel-powered motor vehicle purchased by the commission shall~~  
~~15 2 not operate on diesel fuel other than biodiesel fuel as~~  
~~15 3 defined in section 214A.1, if commercially available. A state~~  
~~15 4 issued credit card used to purchase gasoline~~ shall not be  
15 5 valid to purchase gasoline other than ethanol blended gasoline  
15 6 or to purchase diesel fuel other than biodiesel fuel, if  
~~15 7 commercially available.~~ The motor vehicle shall also be  
15 8 affixed with a brightly visible sticker which notifies the  
15 9 traveling public that the motor vehicle is being operated on  
15 10 ethanol blended gasoline or biodiesel fuel, as applicable.  
15 11 However, the sticker is not required to be affixed to an  
15 12 unmarked vehicle used for purposes of providing law  
15 13 enforcement or security.

15 14 Sec. 37. Section 260C.19A, subsection 1, Code Supplement  
15 15 2007, is amended to read as follows:

15 16 1. A gasoline-powered motor vehicle purchased by or used  
15 17 under the direction of the board of directors to provide  
15 18 services to a merged area shall not operate on gasoline other  
15 19 than ethanol blended gasoline as defined in section 214A.1. A  
~~15 20 diesel-powered motor vehicle purchased by or used under the~~  
~~15 21 direction of the board of directors to provide services to a~~  
~~15 22 merged area shall not operate on diesel fuel other than~~  
~~15 23 biodiesel fuel as defined in section 214A.1, if commercially~~  
~~15 24 available.~~ The motor vehicle shall also be affixed with a  
15 25 brightly visible sticker which notifies the traveling public  
15 26 that the motor vehicle is being operated on ethanol blended  
15 27 gasoline or biodiesel fuel, as applicable. However, the  
15 28 sticker is not required to be affixed to an unmarked vehicle  
15 29 used for purposes of providing law enforcement or security.

15 30 Sec. 38. Section 262.25A, subsection 2, Code Supplement  
15 31 2007, is amended to read as follows:

15 32 2. A gasoline-powered motor vehicle purchased by the  
15 33 institutions shall not operate on gasoline other than ethanol  
15 34 blended gasoline as defined in section 214A.1, unless under  
15 35 emergency circumstances. A diesel-powered motor vehicle  
~~16 1 purchased by the institutions shall not operate on diesel fuel~~  
~~16 2 other than biodiesel fuel as defined in section 214A.1, if~~  
~~16 3 commercially available. A state-issued credit card used to~~  
~~16 4 purchase gasoline~~ shall not be valid to purchase gasoline  
16 5 other than ethanol blended gasoline if commercially available  
16 6 or to purchase diesel fuel other than biodiesel fuel if  
~~16 7 commercially available.~~ The motor vehicle shall also be  
16 8 affixed with a brightly visible sticker which notifies the  
16 9 traveling public that the motor vehicle is being operated on  
16 10 ethanol blended gasoline or biodiesel fuel, as applicable.

16 11 However, the sticker is not required to be affixed to an  
16 12 unmarked vehicle used for purposes of providing law  
16 13 enforcement or security.  
16 14 Sec. 39. Section 279.34, Code Supplement 2007, is amended  
16 15 to read as follows:  
16 16 279.34 MOTOR VEHICLES REQUIRED TO OPERATE ON ETHANOL  
16 17 BLENDED GASOLINE OR BIODIESEL FUEL.  
16 18 A ~~gasoline=powered~~ motor vehicle purchased by or used under  
16 19 the direction of the board of directors to provide services to  
16 20 a school corporation shall not operate on gasoline other than  
16 21 ethanol blended gasoline as defined in section 214A.1. A  
16 22 ~~diesel=powered motor vehicle purchased by or used under the~~  
16 23 ~~direction of the board of directors to provide services to a~~  
16 24 ~~school corporation shall not operate on diesel fuel other than~~  
16 25 ~~biodiesel fuel as defined in section 214A.1, if commercially~~  
16 26 ~~available.~~ The motor vehicle shall also be affixed with a  
16 27 brightly visible sticker which notifies the traveling public  
16 28 that the motor vehicle is being operated on ethanol blended  
16 29 gasoline for biodiesel fuel, as applicable. However, the  
16 30 sticker is not required to be affixed to an unmarked vehicle  
16 31 used for purposes of providing law enforcement or security.  
16 32 Sec. 40. Section 307.21, subsection 4, paragraph d, Code  
16 33 Supplement 2007, is amended to read as follows:  
16 34 d. A ~~motor gasoline=powered~~ vehicle purchased by the  
16 35 administrator shall not operate on gasoline other than ethanol  
17 1 blended gasoline as defined in section 214A.1. A  
17 2 ~~diesel=powered motor vehicle purchased by the administrator~~  
17 3 ~~shall not operate on diesel fuel other than biodiesel fuel as~~  
17 4 ~~defined in section 214A.1, if commercially available.~~ A  
17 5 state-issued credit card ~~used to purchase gasoline~~ shall not  
17 6 be valid to purchase gasoline other than ethanol blended  
17 7 gasoline or to purchase diesel fuel other than biodiesel fuel,  
17 8 if commercially available. The motor vehicle shall also be  
17 9 affixed with a brightly visible sticker which notifies the  
17 10 traveling public that the motor vehicle is being operated on  
17 11 ethanol blended gasoline or biodiesel fuel, as applicable.  
17 12 However, the sticker is not required to be affixed to an  
17 13 unmarked vehicle used for purposes of providing law  
17 14 enforcement or security.  
17 15 Sec. 41. Section 331.908, Code 2007, is amended to read as  
17 16 follows:  
17 17 331.908 MOTOR VEHICLES REQUIRED TO OPERATE ON ETHANOL  
17 18 BLENDED GASOLINE OR BIODIESEL FUEL.  
17 19 A ~~motor gasoline=powered~~ vehicle purchased or used by a  
17 20 county to provide county services shall not operate on  
17 21 gasoline other than ethanol blended gasoline as defined in  
17 22 section 214A.1. A ~~diesel=powered motor vehicle purchased or~~  
17 23 ~~used by a county to provide county services shall not operate~~  
17 24 ~~on diesel fuel other than biodiesel fuel as defined in section~~  
17 25 ~~214A.1, if commercially available.~~ The motor vehicle shall  
17 26 also be affixed with a brightly visible sticker which notifies  
17 27 the traveling public that the motor vehicle is being operated  
17 28 on ethanol blended gasoline or biodiesel fuel, as applicable.  
17 29 However, the sticker is not required to be affixed to an  
17 30 unmarked vehicle used for purposes of providing law  
17 31 enforcement or security.  
17 32 Sec. 42. Section 364.20, Code 2007, is amended to read as  
17 33 follows:  
17 34 364.20 MOTOR VEHICLES REQUIRED TO OPERATE ON ETHANOL  
17 35 BLENDED GASOLINE OR BIODIESEL FUEL.  
18 1 A ~~gasoline=powered~~ motor vehicle purchased or used by a  
18 2 city to provide city services shall not operate on gasoline  
18 3 other than ethanol blended gasoline as defined in section  
18 4 214A.1. A ~~diesel=powered motor vehicle purchased or used by a~~  
18 5 ~~city to provide city services shall not operate on diesel fuel~~  
18 6 ~~other than biodiesel fuel as defined in section 214A.1, if~~  
18 7 ~~commercially available.~~ The motor vehicle shall also be  
18 8 affixed with a brightly visible sticker which notifies the  
18 9 traveling public that the motor vehicle is being operated on  
18 10 ethanol blended gasoline or biodiesel fuel, as applicable.  
18 11 However, the sticker is not required to be affixed to an  
18 12 unmarked vehicle used for purposes of providing law  
18 13 enforcement or security.  
18 14 Sec. 43. Section 904.312A, subsection 1, Code Supplement  
18 15 2007, is amended to read as follows:  
18 16 1. A ~~gasoline=powered~~ motor vehicle purchased by the  
18 17 department shall not operate on gasoline other than ethanol  
18 18 blended gasoline as defined in section 214A.1. A  
18 19 ~~diesel=powered motor vehicle purchased by the department shall~~  
18 20 ~~not operate on diesel fuel other than biodiesel fuel as~~  
18 21 ~~defined in section 214A.1, if commercially available.~~ A



18 22 state-issued credit card ~~used to purchase gasoline~~ shall not  
18 23 be valid to purchase gasoline other than ethanol blended  
18 24 gasoline, or to purchase diesel fuel other than biodiesel  
18 25 fuel, if commercially available. The motor vehicle shall also  
18 26 be affixed with a brightly visible sticker which notifies the  
18 27 traveling public that the motor vehicle is being operated on  
18 28 ethanol blended gasoline or biodiesel fuel, as applicable.  
18 29 However, the sticker is not required to be affixed to an  
18 30 unmarked vehicle used for purposes of providing law  
18 31 enforcement or security.

#### 18 32 DIVISION V

##### 18 33 RENEWABLE FUEL MARKETING EFFORTS

18 34 Sec. 44. RENEWABLE FUEL MARKETING PLAN. The office of  
18 35 energy independence shall develop a renewable fuel marketing  
19 1 plan to promote the biofuel industry in this state.

19 2 1. The renewable fuel marketing plan shall provide for  
19 3 research to determine what barriers hinder increased biofuel  
19 4 use in this state. The research shall include but is not  
19 5 limited to determining all of the following:

19 6 a. Barriers that may prevent retail dealers from selling  
19 7 more biofuels, which shall at least include issues involving  
19 8 infrastructure, product quality, and cost efficiencies.

19 9 b. Barriers that may prevent consumers from purchasing  
19 10 more biofuels, which shall at least include issues involving  
19 11 fuel efficiency and consumer awareness of biofuels and  
19 12 flexible fuel vehicles.

19 13 2. The office shall prepare and submit the renewable fuel  
19 14 marketing plan to the governor and the general assembly by  
19 15 January 30, 2009.

19 16 Sec. 45. DIRECT MARKETING CAMPAIGN == FLEXIBLE FUEL  
19 17 VEHICLES. The office of energy independence shall conduct a  
19 18 direct marketing campaign specifically targeted to owners of  
19 19 flexible fuel vehicles.

19 20 1. The direct marketing campaign shall include but is not  
19 21 limited to education to increase owner awareness and knowledge  
19 22 regarding flexible fuel vehicles and E-85 as an alternative  
19 23 fuel choice. The office shall provide owners with maps  
19 24 indicating where E-85 dispensers are located.

19 25 2. The department of transportation shall provide the  
19 26 office with a list of the names and addresses of owners of  
19 27 flexible fuel vehicles, including vehicles registered under  
19 28 sections 321.109, 321.121, and 321.122.

19 29 3. The office shall complete the direct marketing campaign  
19 30 by October 1, 2008.

19 31 Sec. 46. COLLABORATION. The office of energy independence  
19 32 may collaborate with public or private organizations to carry  
19 33 out the provisions of this division of this Act.

19 34 Sec. 47. FUNDING. The office of energy independence shall  
19 35 carry out the provisions of this division of this Act using  
20 1 moneys appropriated to the office as provided in section  
20 2 469.10.

#### 20 3 DIVISION VI

##### 20 4 EFFECTIVE DATE

20 5 Sec. 48. EFFECTIVE DATE. This Act, being deemed of  
20 6 immediate importance, takes effect upon enactment.

##### 20 7 EXPLANATION

20 8 BACKGROUND. This bill amends Code provisions relating to  
20 9 renewable fuel and specifically biofuels used in motor fuels,  
20 10 including ethanol (ethyl alcohol) and biodiesel (derived from  
20 11 vegetable oils or animal fats). Ethanol is blended into  
20 12 gasoline and biodiesel used without blending or blending into  
20 13 diesel fuel. The bill refers to biodiesel and biodiesel  
20 14 blended fuel and "biodiesel fuel". The bill also refers to  
20 15 the percentage of biofuel contained in a gallon of motor fuel  
20 16 as E=xx where "xx" equals the percentage of ethanol by volume  
20 17 and B=xx equals the percentage of biodiesel by volume.  
20 18 Generally, motor fuel pumps and motor fuel are regulated by  
20 19 the department of agriculture and land stewardship.

20 20 DIVISION I == RENEWABLE FUEL INFRASTRUCTURE. The bill  
20 21 amends provisions relating to infrastructure associated with  
20 22 the storage, blending, and dispensing of renewable fuel and  
20 23 specifically programs administered by the renewable fuel  
20 24 infrastructure board (see Code section 15G.202) established  
20 25 within the department of economic development and supported by  
20 26 moneys appropriated from the grow Iowa values fund (see Code  
20 27 section 15G.111(7)). The programs include the renewable fuel  
20 28 infrastructure programs for retail motor fuel sites (see Code  
20 29 section 15G.203) and biodiesel terminal facilities (see Code  
20 30 section 15G.204) which provide grants on a cost-share basis to  
20 31 participating persons.

20 32 TANK VEHICLES. The bill provides that a tank vehicle

20 33 operated by a retail dealer qualifies as renewable fuel  
20 34 infrastructure.

20 35 LIMITATIONS ON RETAIL DEALERS. The bill provides that in  
21 1 order to participate in the program, a retail dealer must have  
21 2 been licensed by the department of revenue as a dealer for two  
21 3 years prior to the bill's effective date.

21 4 BLENDER PUMPS. The bill provides for a new type of motor  
21 5 fuel pump referred to as a motor fuel blender pump (blender  
21 6 pump) which dispenses a blend of two or more types of motor  
21 7 fuel and may allow a retail customer to select the percent of  
21 8 biofuel, either ethanol or biodiesel. The bill expands the  
21 9 renewable fuel infrastructure program to provide financing to  
21 10 support the installation, replacement, or conversion of  
21 11 infrastructure associated with using a blender pump to  
21 12 dispense ethanol blended gasoline or biodiesel fuel.

21 13 COST=SHARE AGREEMENTS. The bill provides that the board  
21 14 may waive a requirement that a participating person keep  
21 15 biodiesel fuel during any three-month period during the  
21 16 winter, if the cost-share agreement is extended to cover those  
21 17 waived months.

21 18 The bill provides that a cost-share agreement executed by  
21 19 the infrastructure board and a participating person receiving  
21 20 financial incentives to improve a retail motor fuel site  
21 21 cannot exceed three years.

21 22 Under the bill, a participating person may execute two  
21 23 cost-share agreements: (1) to receive up to the full amount  
21 24 available to improve their retail motor fuel site with ethanol  
21 25 infrastructure, and (2) to receive up to the full amount  
21 26 available to improve the same retail motor fuel site with  
21 27 biodiesel infrastructure.

21 28 For ethanol infrastructure used to improve a motor fuel  
21 29 site, the amount of the financing is increased from \$30,000 to  
21 30 \$50,000, so long as the financing does not exceed 50 percent  
21 31 of the cost of making the improvement. For biodiesel  
21 32 infrastructure used to improve a motor fuel site, the amount  
21 33 of financing shall not exceed 50 percent of the cost of making  
21 34 the improvement or \$50,000, whichever is less. It also  
21 35 provides that a person who has made such improvement under an  
22 1 old cost-share agreement may be reimbursed for the extra  
22 2 amount up to the new limits provided in the bill.

22 3 The bill amends provisions relating to the renewable fuel  
22 4 infrastructure program for biodiesel terminals, by increasing  
22 5 the amount that a participating person is eligible to receive  
22 6 from \$50,000 to \$100,000 for installing improvements to store  
22 7 and dispense B=99 to B=100. The bill retains the alternative  
22 8 cap of 50 percent of making an improvement for installing  
22 9 improvements to store and dispense less than B=99. It also  
22 10 provides that a person who has made such improvements under an  
22 11 old cost-share agreement may be reimbursed for the extra  
22 12 amount up to the new limits provided in the bill.

22 13 MOTOR FUEL STANDARDS. The bill provides a definition of  
22 14 unleaded gasoline including by providing that it contains an  
22 15 octane number of at least 87, and limits the amount of lead or  
22 16 phosphorus. It provides standards for unleaded gasoline  
22 17 blended with ethanol based on A.S.T.M. specifications. It  
22 18 reduces the minimum percentage of ethanol contained in ethanol  
22 19 blended gasoline from 10 to 9 percent by volume. It requires  
22 20 that a retail dealer advertising motor fuel containing between  
22 21 70 and 85 percent ethanol must be advertised as "E=85".

22 22 AUTHORIZATION TO USE BLENDER PUMPS. The bill amends Code  
22 23 section 455G.31 which allows the state fire marshal to approve  
22 24 the installation of infrastructure associated with storing and  
22 25 dispensing E=85. The bill provides that such infrastructure  
22 26 includes blender pumps.

22 27 FUTURE SOURCES OF REVENUE. The bill includes a provision  
22 28 expressing the intent of the general assembly to examine all  
22 29 options to continue the financing of renewable fuel  
22 30 infrastructure.

22 31 DIVISION II == ETHANOL PROMOTION TAX CREDIT. The bill  
22 32 amends Code section 422.11N, which allows a retail dealer to  
22 33 claim an ethanol promotion tax credit based on a formula which  
22 34 calculates a retail dealer's biofuel distribution percentage  
22 35 (the sum of the retail dealer's total ethanol gallonage plus  
23 1 the retail dealer's total biodiesel gallonage expressed as a  
23 2 percentage of the retail dealer's total gasoline gallonage).  
23 3 The Code section allows the governor to reduce the applicable  
23 4 biofuel threshold percentage by replacing it with an adjusted  
23 5 biofuel threshold percentage if exigent circumstances exist  
23 6 (e.g., a lack of available feedstock). The bill provides a  
23 7 new exigent circumstance based on market conditions that  
23 8 prevent ethanol blended gasoline from being competitive with

23 9 unblended gasoline or biodiesel fuel from being competitive  
23 10 with nonbiodiesel fuel.  
23 11 BIODIESEL TAX CREDIT. The bill amends provisions relating  
23 12 to the biodiesel blended fuel tax credit available to a retail  
23 13 dealer of biodiesel blended fuel during each tax year until  
23 14 the tax credit expires on January 1, 2012. The bill provides  
23 15 that the tax credit must be calculated separately for each  
23 16 retail motor fuel site operated by the taxpayer. The bill  
23 17 eliminates a requirement that a retail dealer must sell 50  
23 18 percent or more biodiesel blended fuel in order to qualify for  
23 19 the tax credit. The bill replaces the rate of 3 cents for  
23 20 each gallon of B=2 or higher sold, with a schedule which  
23 21 increases the rate depending upon the class of biodiesel  
23 22 blended fuel sold (from 3 cents for B=2 to 30 cents for B=20  
23 23 or higher). The bill applies retroactively to the tax year  
23 24 beginning on or after January 1, 2008.

23 25 DIVISION III == RENEWABLE FUEL REPORTING REQUIREMENTS. The  
23 26 bill amends provisions that require a retail dealer to submit  
23 27 periodic reports to the department of revenue tracking motor  
23 28 fuel and biofuel sold at each retail motor fuel site. The  
23 29 bill provides that the department of revenue is responsible  
23 30 for tracking motor fuel and biofuel use.

23 31 DIVISION IV == GOVERNMENT FLEET PURCHASES OF BIODIESEL  
23 32 FUEL. The bill amends a number of provisions that currently  
23 33 require state and local government gasoline-powered vehicles  
23 34 to operate using ethanol blended gasoline, and prohibits the  
23 35 use of a state-issued credit card to purchase gasoline other  
24 1 than ethanol blended gasoline by state agencies. The bill  
24 2 provides that state and local diesel-powered vehicles must use  
24 3 biodiesel fuel whenever commercially available and prohibits  
24 4 the use of a state-issued credit card to purchase diesel fuel  
24 5 other than biodiesel fuel by state agencies. State and local  
24 6 governments affected include the department of administrative  
24 7 services (Code chapter 8A), the department for the blind (Code  
24 8 chapter 216B), community colleges (Code chapter 260C), the  
24 9 board of regents (Code chapter 262), school districts (Code  
24 10 chapter 279), the state department of transportation (Code  
24 11 chapter 307), counties (Code chapter 331), cities (Code  
24 12 chapter 364), and the department of corrections (Code chapter  
24 13 904). The bill may create a state mandate as provided in Code  
24 14 chapter 25B.

24 15 DIVISION V == RENEWABLE FUEL MARKETING EFFORTS. The bill  
24 16 requires the office of energy independence to develop a  
24 17 renewable fuel marketing plan to provide research to determine  
24 18 what barriers hinder increased biofuel use in this state. The  
24 19 bill also requires the office to conduct a direct marketing  
24 20 campaign specifically targeted to owners of flexible fuel  
24 21 vehicles. The department of transportation must assist the  
24 22 office in carrying out the campaign.

24 23 DIVISION VI == EFFECTIVE DATE. The bill takes effect upon  
24 24 enactment.  
24 25 LSB 6451HV 82  
24 26 da/nh/5.1