

By: Senator(s) Lee (35th), Albritton, Browning, Burton, Butler, Carmichael, Chaney, Clarke, Dearing, Gollott, Harden, Hewes, Jackson (32nd), Jordan, King, Morgan, Nunnelee, Posey, Simmons, Thames, Thomas, Walley, Walls, Williamson

To: Agriculture

SENATE BILL NO. 2942

1 AN ACT TO AMEND SECTION 69-51-3, MISSISSIPPI CODE OF 1972, TO  
2 DEFINE THE TERM BIO-DIESEL FUEL; TO CREATE NEW SECTION 69-51-7,  
3 MISSISSIPPI CODE OF 1972, TO REQUIRE DIESEL FUEL PRODUCED AND SOLD  
4 OR OFFERED FOR SALE IN THE STATE AFTER A CERTAIN DATE FOR USE IN  
5 COMBUSTION ENGINES TO CONTAIN A CERTAIN MINIMUM PERCENTAGE OF  
6 BIO-DIESEL FUEL OIL BY VOLUME; TO PROVIDE AN EXEMPTION FOR  
7 RAILROAD LOCOMOTIVES AND CERTAIN OTHER EQUIPMENT AND MACHINES; AND  
8 FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** Section 69-51-3, Mississippi Code of 1972, is  
11 amended as follows:

12 69-51-3. For the purposes of this chapter, the following  
13 terms shall have the meanings ascribed to them herein unless the  
14 context clearly indicates otherwise:

15 (a) "Anhydrous alcohol" means fermentation ethyl  
16 alcohol derived from biomass, but that does not meet ASTM  
17 specifications or is not denatured and is shipped in bond for  
18 further processing.

19 (b) "Biomass" means any organic matter which is  
20 available on a renewable basis including agricultural crops and  
21 agricultural wastes and residues, wood and wood wastes and  
22 residues, and animal wastes.

23 (c) "Ethanol" means fermentation ethyl alcohol which is  
24 produced from biomass and, that:

25 (i) Meets all of the specifications in ASTM  
26 specification D 4806-88; and

27 (ii) Is denatured as specified in Code of Federal  
28 Regulations, Title 27, parts 20 and 21.

29 (d) "Ethanol plant" means a plant at which ethanol,  
30 anhydrous alcohol or wet alcohol is produced.

31 (e) "Wet alcohol" means agriculturally derived  
32 fermentation ethyl alcohol having a purity of at least fifty  
33 percent (50%) but less than ninety-nine percent (99%).

34 (f) "Bio-diesel fuel" means a renewable, biodegradable,  
35 mono alkyl ester combustible liquid fuel derived from agricultural  
36 plant oils or animal fats and that meets American Society for  
37 Testing and Materials Specification D6751-02 for Bio-diesel Fuel  
38 (B100) Blend Stock for Distillate Fuels.

39 **SECTION 2.** The following shall be codified as Section  
40 69-51-7, Mississippi Code of 1972:

41 69-51-7. (1) (a) Except as otherwise provided in this  
42 section, all diesel fuel produced and sold or offered for sale in  
43 Mississippi for use in internal combustion engines must contain at  
44 least two percent (2%) bio-diesel fuel oil by volume.

45 (b) The mandate in subsection (1)(a) is effective  
46 from and after the date that the conditions in subparagraphs (i)  
47 and (ii) have been met:

48 (i) Thirty (30) or more days have passed since  
49 the Commissioner of Agriculture and Commerce publishes notice that  
50 annual capacity in Mississippi for the production of bio-diesel  
51 fuel oil exceeds eight million (8,000,000) gallons; and

52 (ii) Eighteen (18) months have passed since  
53 the Commissioner of Agriculture publishes notice in the state  
54 register that a federal action on taxes imposed, tax credits, or  
55 otherwise, creates a reduction in the price of Two Cents (2¢) or  
56 more per gallon on taxable fuel that contains at least two percent  
57 (2%) bio-diesel fuel oil and is sold in this state.

58 (2) (a) The minimum content requirement of subsection (1)  
59 does not apply to fuel used in the following equipment:

60 (i) Motors located at an electric generating  
61 plant regulated by the Nuclear Regulatory Commission;

62 (ii) Railroad locomotives; and

63 (iii) Off-road taconite and copper mining  
64 equipment and machinery.

65 (b) The exemption in subsection (2)(a)(i) expires  
66 thirty (30) days after the Nuclear Regulatory Commission has  
67 approved the use of bio-diesel fuel in motors at electric  
68 generating plants under its regulation.

69 (3) A refinery or terminal shall provide, at the time  
70 diesel fuel is sold or transferred from the refinery or terminal,  
71 a bill of lading or shipping manifest to the person who receives  
72 the fuel. For bio-diesel-blended products, the bill of lading or  
73 shipping manifest must disclose bio-diesel content, stating volume  
74 percentage, gallons of bio-diesel per gallons of petroleum diesel  
75 base-stock, or an American Society for Testing and Materials  
76 (ASTM) "Bxx" designation where "xx" denotes the volume percent  
77 bio-diesel included in the blended product. This subsection does  
78 not apply to sales or transfers of bio-diesel blend stock between  
79 refineries, between terminals, or between a refinery and a  
80 terminal.

81 **SECTION 3.** This act shall take effect and be in force from  
82 and after July 1, 2006.