

## REPORT OF CONFERENCE COMMITTEE

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**MADAM PRESIDENT AND MR. SPEAKER:**

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2942: Bio-diesel fuel; create study committee.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

11           **SECTION 1.** (1) There is created a Study Committee on the  
12 Potential Use of Biodiesel Fuel. The study committee shall study  
13 the need for mandated use of biodiesel and the benefits accruing  
14 to agriculture and the environment. The committee shall report to  
15 the Legislature no later than January 2, 2007.

16           (2) The study committee shall consist of the following  
17 members:

18                   (a) The Chairman of the Senate Agriculture Committee  
19 and one (1) member of the Senate appointed by the Chairman;

20                   (b) The Chairman of the House Agriculture Committee and  
21 one (1) member of the House of Representatives appointed by the  
22 Chairman;

23                   (c) One (1) member appointed by the Mississippi  
24 Petroleum Marketers Association;

25                   (d) One (1) member appointed by the Mississippi  
26 Trucking Association;

27                   (e) One (1) member appointed by the Mississippi Farm  
28 Bureau Federation;

29                   (f) One (1) member appointed by the Executive Director  
30 of the Mississippi Development Authority; and

31                   (g) One (1) member appointed by the Commissioner of  
32 Agriculture and Commerce.

33 (3) (a) Appointments shall be made within thirty (30) days  
34 of the effective date of this act.

35 (b) The Chairmen of the Senate and House Agriculture  
36 Committees shall serve as co-chairmen of the study committee.

37 (4) Legislative members shall be entitled to per diem,  
38 expense allowance and mileage as authorized for committee meetings  
39 when the Legislature is not in session.

40 (5) Any department, division, board, bureau, commission or  
41 agency of the state or any political subdivision thereof shall, at  
42 the request of the co-chairmen of the study committee, provide  
43 such assistance that will enable the study committee to properly  
44 carry out its duties.

45 **SECTION 2.** Section 69-51-3, Mississippi Code of 1972, is  
46 amended as follows:

47 69-51-3. For the purposes of this chapter, the following  
48 terms shall have the meanings ascribed to them herein unless the  
49 context clearly indicates otherwise:

50 (a) "Anhydrous alcohol" means fermentation ethyl  
51 alcohol derived from biomass, but that does not meet ASTM  
52 specifications or is not denatured and is shipped in bond for  
53 further processing.

54 (b) "Biomass" means any organic matter which is  
55 available on a renewable basis including agricultural crops and  
56 agricultural wastes and residues, wood and wood wastes and  
57 residues, and animal wastes.

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

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

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

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

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

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

74 **SECTION 3.** The following shall be codified as Section  
75 69-51-7, Mississippi Code of 1972:

76 69-51-7. (1) (a) Except as otherwise provided in this  
77 section, all diesel fuel produced and sold or offered for sale in  
78 Mississippi for use in internal combustion engines must contain at  
79 least two percent (2%) bio-diesel fuel oil by volume.

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

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

87 (ii) Eighteen (18) months have passed since  
88 the Commissioner of Agriculture publishes notice in the state  
89 register that a federal action on taxes imposed, tax credits, or  
90 otherwise, creates a reduction in the price of Two Cents (2¢) or  
91 more per gallon on taxable fuel that contains at least two percent  
92 (2%) bio-diesel fuel oil and is sold in this state.

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

95 (i) Motors located at an electric generating  
96 plant regulated by the Nuclear Regulatory Commission;  
97 (ii) Railroad locomotives; and  
98 (iii) Off-road taconite and copper mining  
99 equipment and machinery.

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

104 (3) A refinery or terminal shall provide, at the time diesel  
105 fuel is sold or transferred from the refinery or terminal, a bill  
106 of lading or shipping manifest to the person who receives the  
107 fuel. For bio-diesel-blended products, the bill of lading or  
108 shipping manifest must disclose bio-diesel content, stating volume  
109 percentage, gallons of bio-diesel per gallons of petroleum diesel  
110 base-stock, or an American Society for Testing and Materials  
111 (ASTM) "Bxx" designation where "xx" denotes the volume percent  
112 bio-diesel included in the blended product. This subsection does  
113 not apply to sales or transfers of bio-diesel blend stock between  
114 refineries, between terminals, or between a refinery and a  
115 terminal.

116 **SECTION 4.** This act shall take effect and be in force from  
117 and after July 1, 2006.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO CREATE A STUDY COMMITTEE ON THE POTENTIAL OF  
2 BIODIESEL FUEL; TO AMEND SECTION 69-51-3, MISSISSIPPI CODE OF  
3 1972, TO DEFINE THE TERM BIO-DIESEL FUEL; TO CREATE NEW SECTION  
4 69-51-7, MISSISSIPPI CODE OF 1972, TO REQUIRE DIESEL FUEL PRODUCED  
5 AND SOLD OR OFFERED FOR SALE IN THE STATE AFTER A CERTAIN DATE FOR  
6 USE IN COMBUSTION ENGINES TO CONTAIN A CERTAIN MINIMUM PERCENTAGE

7 OF BIO-DIESEL FUEL OIL BY VOLUME; TO PROVIDE AN EXEMPTION FOR  
8 RAILROAD LOCOMOTIVES AND CERTAIN OTHER EQUIPMENT AND MACHINES; AND  
9 FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

X (SIGNED)  
Hyde-Smith

X (SIGNED)  
Lee (35th)

(NOT SIGNED)  
Jackson (15th)

CONFEREES FOR THE HOUSE

X (SIGNED)  
Warren

X (SIGNED)  
Sullivan

X (SIGNED)  
Eaton