

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) "Biodiesel 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 Biodiesel 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%) biodiesel 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 for the production of biodiesel fuel oil in
86 Mississippi 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%) biodiesel 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 biodiesel 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 biodiesel-blended products, the bill of lading or
108 shipping manifest must disclose biodiesel content, stating volume
109 percentage, gallons of biodiesel 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 biodiesel included in the blended product. This subsection does
113 not apply to sales or transfers of biodiesel-blend stock between
114 refineries, between terminals, or between a refinery and a
115 terminal.

116 (4) The Commissioner of Agriculture may issue a stop-sale
117 order for biodiesel that does not meet the standards under this
118 act, or if supplies are interrupted due to natural disaster or if
119 production falls below mandate needs. The Commissioner of
120 Agriculture may adopt rules and regulations to implement and
121 enforce these requirements.

122 **SECTION 4.** This act shall take effect and be in force from
123 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 BIODIESEL 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 BIODIESEL 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