

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 568**  
100TH GENERAL ASSEMBLY

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Reported from the Committee on Agriculture, Food Production and Outdoor Resources, March 5, 2020, with recommendation that the Senate Committee Substitute do pass.

3663S.07C

ADRIANE D. CROUSE, Secretary.

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**AN ACT**

To repeal section 414.152, RSMo, and to enact in lieu thereof two new sections relating to biodiesel fuel, with penalty provisions.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 414.152, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 414.152 and 414.600, to read as follows:

414.152. 1. Any person found in violation of any provision of sections 414.012 to 414.152 **or section 414.600** shall be deemed guilty of a class A misdemeanor. The prosecutor of each county in which a violation occurs shall be empowered to bring an action hereunder. But if a prosecutor declines to bring such action, then the attorney general may bring an action instead, and in so doing shall have all the powers and jurisdiction of such prosecutor.

2. The prosecuting attorney of any county in which a violation of any provision of this chapter occurs or the attorney general is hereby authorized to apply to any court of competent jurisdiction for, and such court shall have jurisdiction upon hearing and for cause shown to grant, a temporary or permanent injunction to restrain any person from violating any provision of this chapter.

3. Any person who is found, upon investigation by the department of agriculture or by the department of revenue, to be in possible violation of any provision of this chapter shall be notified by certified mail of the facts constituting such violation, and shall be afforded an opportunity by the appropriate director to explain such facts at an informal hearing to be conducted within fourteen days of such notification. In the event that such person fails to timely respond to such notification or upon unsuccessful resolution of any issues

20 relating to an alleged violation, such person may be summoned to a formal  
21 administrative hearing before a hearing officer conducted in conformance with  
22 chapter 536 and if found to have committed one or more violations, may be  
23 ordered to cease and desist from such violation, such order to be enforceable in  
24 circuit court, and, in addition, may be required to pay a penalty of not more than  
25 five hundred dollars per violation and five hundred dollars for each day such  
26 violation continues. Any party to such hearing aggrieved by a determination of  
27 a hearing officer may appeal to the circuit court of the county in which such party  
28 resides, or if the party is the state, in Cole County, in accordance with chapter  
29 536.

414.600. 1. This section shall be known and may be cited as the  
2 "Missouri Made Fuels Act".

3 2. For purposes of this section, the following terms shall mean:

4 (1) "Biodiesel blend", a blend of diesel fuel and biodiesel fuel  
5 between six percent and twenty percent for on-road and off-road diesel-  
6 fueled vehicle use. Biodiesel blend shall comply with the ASTM  
7 International specification D7467-19, or the most recent specification;  
8 (2) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester  
9 combustible liquid fuel that is derived from agricultural and other  
10 plant oils or animal fats and that meets the ASTM International  
11 specification D6751-19, or the most recent specification, for Biodiesel  
12 Fuel (B100) Blend Stock for Distillate Fuels. Biodiesel produced from  
13 palm oil is not biodiesel fuel for the purposes of this section, unless the  
14 palm oil is contained within waste oil and grease collected within the  
15 United States.

16 3. Except as otherwise provided in this section, all diesel fuel  
17 sold or offered for sale in Missouri for use in internal combustion  
18 engines shall contain at least the following stated percentage of  
19 biodiesel fuel oil by volume on and after the following dates:

20 (1) April 1, 2022, and until March 31, 2023, five percent;

21 (2) April 1, 2023, and until March 31, 2025, ten percent; and

22 (3) Beginning April 1, 2025, twenty percent.

23 Except as provided in this subsection, the minimum content levels in  
24 subdivisions (2) and (3) of this subsection are effective during the  
25 months of April, May, June, July, August, September, and October only  
26 and the minimum content for the remainder of the year is five  
27 percent. However, if the Missouri department of agriculture's division

28 of weights and measures determines that an ASTM International  
29 specification or equivalent federal standard exists for the specified  
30 biodiesel blend level in subdivisions (2) and (3) of this subsection that  
31 adequately addresses technical issues associated with Missouri's typical  
32 weather patterns and publish a notice in the Missouri register to that  
33 effect, the department of agriculture may allow the specified biodiesel  
34 blend level in subdivisions (2) and (3) of this subsection to be effective  
35 year-round. In each year that the seasonal reduction to five percent is  
36 in effect, the minimum content level of diesel fuel sold or offered for  
37 sale in Missouri from April first to April fourteenth may be less than  
38 the level required under subdivisions (2) and (3) of this subsection in  
39 order to allow for the transition of blends.

40 4. The minimum content levels in subdivisions (2) and (3) of  
41 subsection 3 of this section become effective on the date specified only  
42 if the director of the department of agriculture submits notice in the  
43 Missouri register that the following conditions have been met and the  
44 state is prepared to move to the next scheduled minimum content level:

45 (1) An ASTM International specification or equivalent federal  
46 standard exists for the next minimum diesel-biodiesel blend; and

47 (2) A sufficient supply of biodiesel is available and at least fifty  
48 percent of the biodiesel is produced in the state of Missouri.

49 5. By January 15, 2023, and biennially thereafter, the director of  
50 the division of energy shall determine the preceding twelve-month  
51 rolling average of wholesale diesel price at various pipeline and  
52 refinery terminals in Missouri, and the preceding twelve-month rolling  
53 average of biodiesel price determined after credits and incentives are  
54 subtracted at biodiesel plants in Missouri. The director shall consult  
55 with the directors of the department of natural resources and the  
56 department of agriculture, and may by emergency rule adjust the  
57 biodiesel mandate if a price disparity reported by the directors will  
58 cause economic hardship to the state. Any adjustment shall be for a  
59 specified period of time, after which the percentage of biodiesel fuel to  
60 be blended into diesel fuel returns to the amount required in  
61 subsection 3 of this section. The biodiesel mandate shall not be  
62 adjusted to less than five percent.

63 6. The director of the department of agriculture may waive  
64 specific requirements in this section and in regulations promulgated

65 according to this section, or may establish temporary alternative  
66 requirements for fuels as determined to be necessary in the event of an  
67 extreme and unusual fuel supply circumstance as a result of a feed  
68 stock shortage, emergency, or a natural disaster as determined by the  
69 director for a specified period of time. If any action is taken by the  
70 director under this section, the director shall:

- 71 (1) Review the action after thirty days; and
- 72 (2) Notify industry stakeholders of such action.

73 Any waiver issued or action taken under this subsection shall be as  
74 limited in scope and applicability as necessary, and shall apply equally  
75 and uniformly to all persons and companies in the impacted biodiesel  
76 fuel supply and distribution system, including but not limited to  
77 producers, terminals, distributors, and retailers.

78 7. The minimum content requirements of subsection 3 of this  
79 section do not apply to fuel used in the following equipment:

- 80 (1) Motors located at an electric generating plant regulated by  
81 the Nuclear Regulatory Commission;
- 82 (2) Railroad locomotives;
- 83 (3) Off-road mining equipment and machinery;
- 84 (4) Off-road logging equipment and machinery; and
- 85 (5) Vessels of the United States Coast Guard and vessels subject  
86 to inspection under 46 U.S.C. Section 3301(1), (9), (10), (13), or (15).

87 8. (1) A refinery or terminal shall provide, at the time diesel fuel  
88 is sold or transferred from the refinery or terminal, a bill of lading or  
89 shipping manifest to the person who receives the fuel. For biodiesel  
90 blended products, the bill of lading or shipping manifest shall disclose  
91 biodiesel content, stating volume percentage, gallons of biodiesel per  
92 gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation  
93 where "xx" denotes the volume percent biodiesel included in the  
94 blended product. This subsection shall not apply to sales or transfers  
95 of biodiesel blend stock between refineries, between terminals, or  
96 between a refinery and a terminal.

97 (2) A delivery ticket required under section 413.125 for a  
98 biodiesel blend shall state the volume percentage of biodiesel blended  
99 into the diesel fuel delivered through a meter into a storage tank used  
100 for dispensing into motor vehicles powered by an internal combustion  
101 engine and not exempt under subsection 3 of this section.

102           **9. Refiners shall offer clear diesel (B0) and the biodiesel blends**  
103 **set forth in subsection 3 of this section and biodiesel producers in**  
104 **Missouri shall offer blends of one hundred percent biodiesel fuel (B100).**

105           **10. Notwithstanding any other law to the contrary, all fuel**  
106 **retailers, wholesalers, distributors, and marketers shall be allowed to**  
107 **purchase biodiesel from any terminal, position holder, biodiesel**  
108 **producer, biodiesel wholesaler, or supplier. In the event a court of**  
109 **competent jurisdiction finds that this subsection does not apply to or**  
110 **improperly impairs existing contractual relationships, then this**  
111 **subsection shall only apply to and impact future contractual**  
112 **relationships.**

113           **11. No refiner, supplier, terminal, wholesaler, distributor,**  
114 **retailer, or other vendor of motor fuel that contains or is blended with**  
115 **any amount of ethanol, biodiesel, or other renewable fuel or biofuel and**  
116 **that complies with labeling and motor fuel quality laws shall be liable**  
117 **for any property damages related to a customer's purchase of such**  
118 **motor fuel from the vendor so long as the selection of the motor fuel**  
119 **was made by the customer and not the vendor. No motor fuel that**  
120 **contains or is blended with any amount of ethanol, biodiesel, or other**  
121 **renewable fuel or biofuel shall be considered a defective product for**  
122 **the purposes of a claim for property damage if such motor fuel**  
123 **complies with motor fuel quality laws.**

124           **12. Beginning in 2023, the director of the division of energy shall**  
125 **report by January fifteenth of each year to the speaker of the house of**  
126 **representatives and the president pro tempore of the senate regarding**  
127 **the implementation of the minimum content requirements in subsection**  
128 **3 of this section, including information about the price and supply of**  
129 **biodiesel fuel. The report shall include information about the impacts**  
130 **of the biodiesel mandate on the development of biodiesel production**  
131 **capacity in the state, and on the use of feedstock grown or raised in the**  
132 **state for biodiesel production. Biodiesel fuel being recognized by the**  
133 **division of energy as a big contributor to Missouri's energy solutions**  
134 **industry, the division shall include recommendations on how to create**  
135 **continued growth and expansion for the benefit of Missouri's**  
136 **environment, economy, and agricultural industry.**

137           **13. The provisions of section 414.152 shall apply for purposes of**  
138 **enforcement of this section.**

139           14. The department of agriculture and the department of natural  
140 resources shall establish rules and regulations to implement the  
141 provisions of this section. Any rule or portion of a rule, as that term is  
142 defined in section 536.010, that is created under the authority delegated  
143 in this section shall become effective only if it complies with and is  
144 subject to all of the provisions of chapter 536 and, if applicable, section  
145 536.028. This section and chapter 536 are nonseverable and if any of  
146 the powers vested with the general assembly pursuant to chapter 536  
147 to review, to delay the effective date, or to disapprove and annul a rule  
148 are subsequently held unconstitutional, then the grant of rulemaking  
149 authority and any rule proposed or adopted after August 28, 2020, shall  
150 be invalid and void.

✓

Bill

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