

SECOND REGULAR SESSION

# SENATE BILL NO. 568

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3663S.04I

## AN ACT

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

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Section A. Section 414.152, RSMo, is repealed and two new sections  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

414.152. 1. Any person found in violation of any provision of sections  
2 414.012 to 414.152 **or section 414.600** shall be deemed guilty of a class A  
3 misdemeanor. The prosecutor of each county in which a violation occurs shall be  
4 empowered to bring an action hereunder. But if a prosecutor declines to bring  
5 such action, then the attorney general may bring an action instead, and in so  
6 doing shall have all the powers and jurisdiction of such prosecutor.

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

13 3. Any person who is found, upon investigation by the department of  
14 agriculture or by the department of revenue, to be in possible violation of any  
15 provision of this chapter shall be notified by certified mail of the facts  
16 constituting such violation, and shall be afforded an opportunity by the  
17 appropriate director to explain such facts at an informal hearing to be conducted  
18 within fourteen days of such notification. In the event that such person fails to  
19 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 21, 2024, ten percent; and**

22 **(3) Beginning April 1, 2024, 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 fourteen may be less than the  
38 level required under subdivisions (2) or (3) of this subsection in order  
39 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 July 1, 2021, and biennially thereafter, the director of the  
50 division of energy shall determine the preceding twelve-month rolling  
51 average of wholesale diesel price at various pipeline and refinery  
52 terminals in Missouri, and the preceding twelve-month rolling average  
53 of biodiesel price determined after credits and incentives are  
54 subtracted at biodiesel plants in Missouri. The director shall report  
55 wholesale price differences to the governor who, after consultation  
56 with the directors of the department of natural resources and the  
57 department of agriculture, may by executive order adjust the biodiesel  
58 mandate if a price disparity reported by the directors will cause  
59 economic hardship to the state. Any adjustment shall be for a specified  
60 period of time, after which the percentage of biodiesel fuel to be  
61 blended into diesel fuel returns to the amount required in subsection  
62 3 of this section. The biodiesel mandate shall not be adjusted to less  
63 than five percent.

64 6. The minimum content requirements of subsection 3 of this

65 section do not apply to fuel used in the following equipment:

- 66 (1) Motors located at an electric generating plant regulated by  
67 the Nuclear Regulatory Commission;  
68 (2) Railroad locomotives;  
69 (3) Off-road mining equipment and machinery;  
70 (4) Off-road logging equipment and machinery; and  
71 (5) Vessels of the United States Coast Guard and vessels subject  
72 to inspection under 46 U.S.C. Section 3301(1), (9), (10), (13), or (15).

73 7. (1) A refinery or terminal shall provide, at the time diesel fuel  
74 is sold or transferred from the refinery or terminal, a bill of lading or  
75 shipping manifest to the person who receives the fuel. For biodiesel-  
76 blended products, the bill of lading or shipping manifest shall disclose  
77 biodiesel content, stating volume percentage, gallons of biodiesel per  
78 gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation  
79 where "xx" denotes the volume percent biodiesel included in the  
80 blended product. This subsection shall not apply to sales or transfers  
81 of biodiesel blend stock between refineries, between terminals, or  
82 between a refinery and a terminal.

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

88 8. Beginning in 2024, the director of the division of energy shall  
89 report by January fifteenth of each year to the speaker of the house of  
90 representatives and the president pro tempore of the senate regarding  
91 the implementation of the minimum content requirements in subsection  
92 3 of this section, including information about the price and supply of  
93 biodiesel fuel. The report shall include information about the impacts  
94 of the biodiesel mandate on the development of biodiesel production  
95 capacity in the state, and on the use of feedstock grown or raised in the  
96 state for biodiesel production. Biodiesel fuel being recognized by the  
97 division of energy as a big contributor to Missouri's energy solutions  
98 industry, the division shall include recommendations on how to create  
99 continued growth and expansion for the benefit of Missouri's  
100 environment, economy, and agricultural industry.

101 9. The provisions of section 414.152 shall apply for purposes of

102 enforcement of this section.

103       **10. The department of agriculture and the department of natural**  
104 **resources shall establish rules and regulations to implement the**  
105 **provisions of this section. Any rule or portion of a rule, as that term is**  
106 **defined in section 536.010, that is created under the authority delegated**  
107 **in this section shall become effective only if it complies with and is**  
108 **subject to all of the provisions of chapter 536 and, if applicable, section**  
109 **536.028. This section and chapter 536 are nonseverable and if any of**  
110 **the powers vested with the general assembly pursuant to chapter 536**  
111 **to review, to delay the effective date, or to disapprove and annul a rule**  
112 **are subsequently held unconstitutional, then the grant of rulemaking**  
113 **authority and any rule proposed or adopted after August 28, 2020, shall**  
114 **be invalid and void.**

✓

Bill

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