

Biofuels Legislation

Examples of Enacted Legislation at the State Level

Infrastructure Incentives:

Iowa: Renewable Fuel Infrastructure Program for Retail Fuel Sites (Iowa Code 15.401)

The law provides financial incentives to retail fuel dealers distributing ethanol or biodiesel blends not to exceed 50 percent of the actual cost of the infrastructure or \$30,000 (whichever is less). The program is subject to funding limitations.

Georgia: E85 Infrastructure Assistance (SB 157)

The bill establishes a grant program to install, replace, or convert retail fuel dispensing equipment to E85. Grants shall not exceed \$20,000 or 33 1/3 percent of the cost of the infrastructure, whichever is less. The grant program expires July 1, 2009.

Splash Blending:

South Carolina: S 1143

SECTION 3. Article 3, Chapter 28, Title 12 of the 1976 Code is amended by adding:

"Section 12-28-340. (A) Regardless of other products offered, a terminal, as defined in Section 12-28-110(56), located within the State must offer a petroleum product that has not been blended with ethanol and that is suitable for subsequent blending with ethanol.

(B) A person or entity must not take any action to deny a distributor, as defined in Section 12-28-110(17), or retailer, as defined in Section 12-28-110(52), who is doing business in this State and who has registered with the Internal Revenue Service on Form 637(M) from being the blender of record afforded them by the acceptance by the Internal Revenue Service of Form 637(M).

Renewable Fuels Standard

Kansas: Renewable Fuel Standard (2007) HB 2145

The law incents the use of renewable fuels by providing quarterly payments to retail dealers for using ethanol and biodiesel. The RFS program requires 10 percent of the state's motor fuel to contain renewable fuels in 2009, increasing to a 25 percent renewable fuels standard by 2024 in order to qualify for the incentive. For retailers meeting the RFS threshold, the tax incentive is 6.5 cents per gallon. Retailers whose yearly volumes fall within 2 percent of the threshold receive an incentive of 4.5 cents. Retailers outside of these parameters receive no tax incentive. The legislation expires January 1, 2026.

Minnesota: Ethanol Use Standard (MN Statutes 239.791 Oxygenated Gasoline) (SF4)

Since 1997, virtually every gallon of gasoline must contain fuel grade ethanol at a volume of not less than 10 percent. Premium gasoline may be sold without ethanol if properly labeled. In 2005, the law was amended to require that, if ethanol does not comprise at least 20 percent of all motor fuels consumed in Minnesota by December 31, 2010, gasoline blends must contain fuel grade ethanol at a volume not less than 20 percent by August 30, 2013. Implementation of this provision is contingent on U.S. EPA certification that E20 is compatible with gasoline engines and that use of E20 will not promote emissions that exceed national standards.