

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 977 of the Regular Session

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009  
4

As Engrossed: H3/20/09

**A Bill**

HOUSE BILL 2002

5 By: Representative Maxwell  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO ADD A DEFINITION FOR "SYNTHETIC  
10 TRANSPORTATION FUEL"; TO AMEND THE DEFINITIONS OF  
11 "ALTERNATIVE FUELS" AND "BIOMASS"; TO INCREASE  
12 THE INCENTIVES FOR AN ALTERNATIVE FUELS PRODUCER,  
13 A FEEDSTOCK PROCESSOR, AND AN ALTERNATIVE FUELS  
14 DISTRIBUTOR; AND FOR OTHER PURPOSES.  
15

**Subtitle**

16 TO ADD A DEFINITION FOR "SYNTHETIC  
17 TRANSPORTATION FUEL", TO AMEND THE  
18 DEFINITIONS OF "ALTERNATIVE FUELS" AND  
19 "BIOMASS", AND TO INCREASE THE  
20 INCENTIVES IN THE ARKANSAS ALTERNATIVE  
21 FUELS DEVELOPMENT ACT.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code § 15-13-102 is amended to read as follows:

28 As used in this chapter:

29 (1) "Alternative fuels" means biofuel, ~~or ethanol,~~ compressed  
30 natural gas, or a synthetic transportation fuel;

31 ~~(2)~~(3) "Alternative fuels distributor" means a business located  
32 in the State of Arkansas that distributes alternative fuels or alternative  
33 fuels mixture;

34 ~~(3)~~(4) "Alternative fuels mixture" means a mixture of alternative  
35 fuels that is:



1 (A) An undyed, clear distillate special fuel that is  
2 suitable for use in motor vehicles on Arkansas highways;

3 (B) A dyed fuel for off-road use;

4 (C) Sold by the supplier producing alternative fuels  
5 mixture to any person for use as a fuel; or

6 (D) Used as a fuel by the supplier producing the  
7 alternative fuels mixture;

8 ~~(4)~~(5) "Alternative fuels producer" means a business located in  
9 Arkansas that uses biomass or other renewable resources excluding recycled  
10 petroleum oils to manufacture alternative fuels;

11 ~~(5)~~(A)~~(6)~~(A) "Biofuel" means a renewable, biodegradable,  
12 combustible liquid fuel derived from biomass or other renewable resources  
13 that can be used as transportation fuel, combustion fuel, or refinery  
14 feedstock and that meets the American Society for Testing and Materials  
15 Specification and federal quality requirements as in effect on February 1,  
16 2007, for each category or grade of fuel.

17 (B) "Biofuel" includes without limitation:

18 (i) Biodiesel or renewable diesel;

19 (ii) Renewable gasoline;

20 (iii) Renewable jet fuel;

21 (iv) Renewable naphtha;

22 (v) Biocrude; and

23 (vi) Other renewable, biodegradable, mono alkyl  
24 ester combustible fuel derived from biomass;

25 ~~(6)~~(A)~~(7)~~(A) "Biomass" means any matter derived from plants or  
26 animals that is used for the production of alternative fuels.

27 (B) "Biomass" includes residues or byproducts from:

28 (i) Agricultural production;

29 (ii) Agricultural processing;

30 (iii) Algae;

31 ~~(iii)~~(iv) Forest or wood resources;

32 ~~(iv)~~(v) Forestry or wood production; or

33 ~~(v)~~(vi) Forestry or wood processing.

34 (C) "Biomass" includes plant material from crops that are  
35 produced for use in the production of alternative fuels and cellulosic  
36 biomass.

1 (D) "Biomass" does not include recycled petroleum oil;  
2 ~~(7)~~(8) "Ethanol" means ethyl alcohol derived from biomass that:

3 (A) Meets the American Society for Testing and Materials  
4 Specification D4806-04a for ethanol as in effect on January 1, 2007; and

5 (B) Is denatured as specified in 27 C.F.R. Part 20 and  
6 Part 21, as in effect on January 1, 2007;

7 ~~(8)~~(9) "Feedstock processor" means a business located in  
8 Arkansas that uses biomass or other renewable resources excluding recycled  
9 petroleum oils to manufacture feedstock to be used in the production of  
10 alternative fuels;

11 ~~(9)~~(10) "Other renewable resources" means any material that can  
12 be recycled, regenerated, reclaimed, or reused; ~~and~~

13 ~~(10)~~(11) "State agency" means any office, board, commission,  
14 department, council, bureau, or other entity created by the General Assembly;  
15 and

16 (12) "Synthetic transportation fuel" means a liquid fuel  
17 produced from biomass by a gasification process or other refining process  
18 that meets any applicable state or federal environmental requirement.

19  
20 SECTION 2. Arkansas Code § 15-13-303(d)(1), concerning the production  
21 incentive for a feedstock processor, is amended to read as follows:

22 (d)(1) The department shall not award a grant in an amount that  
23 exceeds ~~two million dollars (\$2,000,000)~~ three million dollars (\$3,000,000)  
24 or fifty percent (50%) of the project cost, whichever is less, to any one (1)  
25 feedstock processor in any one (1) fiscal year.

26  
27 SECTION 3. Arkansas Code § 15-13-304(d), concerning distribution  
28 incentives for alternative fuels distributors, is amended to read as follows:

29 (d) The department shall not award a grant in an amount that exceeds  
30 ~~fifty thousand dollars (\$50,000)~~ three hundred thousand dollars (\$300,000) or  
31 fifty percent (50%) of the project cost, whichever is less, to any one (1)  
32 alternative fuels distributor at each alternative fuels distributor site in  
33 any one (1) fiscal year.

34  
35 SECTION 4. Arkansas Code § 15-13-305 is amended to read as follows:  
36 15-13-305. Rules.

1 After consulting the Arkansas Energy Office, the The Arkansas  
2 Agriculture Department shall promulgate rules to implement and administer  
3 this subchapter.

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5 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
6 General Assembly of the State of Arkansas that conventional fossil fuel  
7 supplies are constrained; that alternative energy sources are needed to  
8 increase alternative energy supplies; and that this act is immediately  
9 necessary because the development of alternative fuels will mitigate price  
10 increases and assist this state's economic recovery. Therefore, an emergency  
11 is declared to exist and this act being immediately necessary for the  
12 preservation of the public peace, health, and safety shall become effective  
13 on:

14 (1) The date of its approval by the Governor;

15 (2) If the bill is neither approved nor vetoed by the Governor,  
16 the expiration of the period of time during which the Governor may veto the  
17 bill; or

18 (3) If the bill is vetoed by the Governor and the veto is  
19 overridden, the date the last house overrides the veto.

20  
21 /s/ Maxwell

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23 **APPROVED: 4/7/2009**