

HCS HB 1858 -- MISSOURI-MADE FUELS ACT

SPONSOR: Haffner

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Agriculture Policy by a vote of 26 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 6 to 1.

The following is a summary of the House Committee Substitute for HB 1858.

This bill establishes the "Missouri-Made Fuels Act", which specifies that all diesel fuel sold or offered for sale in Missouri for use in internal combustion engines must contain at least the following stated percentage of biodiesel fuel oil by volume on and after the following dates:

- (1) April 1, 2022, until March 31, 2023, 5%;
- (2) April 1, 2023, until March 31, 2025, 10%; and
- (3) Beginning April 1, 2025, 20%.

The minimum content levels shall be in effect during the months of April, May, June, July, August, September, and October, except in certain circumstances. The minimum content levels go into effect when the Director of the Department of Agriculture submits notice in the Missouri Register that certain conditions have been met and the state is prepared to move to the next scheduled minimum content level.

By January 15, 2023, and biennially thereafter, the Director of the Division of Energy shall determine the preceding 12-month rolling average of wholesale diesel price at various pipeline and refinery terminals in Missouri, and the preceding 12-month rolling average of biodiesel price determined after credits and incentives are subtracted at biodiesel plants in Missouri. These prices shall be submitted to the Governor who may by executive order adjust the biodiesel mandate if a price disparity is reported that will cause economic hardship to the state.

The minimum biodiesel content levels shall not apply to certain equipment and the bill specifies requirements for bills of lading or shipping manifests for diesel fuel and for biodiesel-blended products. Refiners must offer clear diesel (B0) and the biodiesel blends, and biodiesel producers in Missouri must offer blends of 100% biodiesel fuel (B100). All fuel retailers, wholesalers, distributors, and marketers must be allowed to purchase biodiesel

from any terminal, position holder, biodiesel producer, biodiesel wholesaler, or supplier.

No refiner, supplier, terminal, wholesaler, distributor, retailer, or other vendor of motor fuel that is blended with biodiesel or renewable fuel that complies with motor fuel quality and labeling laws will be liable for property damages related to a customer's purchase of such motor fuel so long as the selection of motor fuel was made by the customer and not the vendor. No motor fuel that is blended with biodiesel may be considered a defective product for purposes of property damage claims.

Beginning in 2023, the Director of the Division of Energy, in coordination with the Director of the Division of Weights and Measures, must report by January 15th of each year to the Speaker of the House of Representatives and the President Pro Tem of the Senate regarding the implementation of the minimum biodiesel content levels.

A violation of the provisions of this bill is a class A misdemeanor.

This bill is similar to SB 568 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that biodiesel was invented in Missouri and over 200 million gallons are produced in the state each year, but much of it is exported to other states. Biodiesel is a low emission diesel fuel option that can help Missouri meet the renewable fuels standards. This bill would provide for a roll out of a statewide biodiesel fuel standard that would create jobs and grow the state's agricultural economy, while providing environmentally friendly fuel option.

Testifying for the bill were Representative Haffner; Emily Fisher, MFA Oil Company; Biodiesel Coalition of Missouri; Kevin Herdler, St. Louis Clean Cities/Clnfuel Consulting, LLC.; Jason Bassett, Kum & Go; Kurtis Gregory, Missouri Corn Growers; Ronnie Russell, Missouri Soybean Association - Farmer; Missouri Pork Association; Missouri Agribusiness Association; Missouri Farm Bureau; Cliff Smith, Mid-America Biofuels; and Missouri Renewable Fuels Association.

OPPONENTS: Those who oppose the bill say that the market should mandate what fuels are sold in the state and not the government. Many gas stations are selling biodiesel already but that there are

not consumer protections to keep from increasing fuel costs. Also, much of the equipment currently installed at gas stations is not warranted for higher blends of biodiesel.

Testifying against the bill were Missouri Petroleum Council; Bruce Heine, Magellan Midstream Partners; Missouri Retailers Association; and Missouri Petroleum Marketers and Convenience Stores Association.