

ENGROSSED HOUSE
BILL NO. 1217

By: Turner, Covey, Roan and
Walker of the House

and

Muegge of the Senate

(ethanol - Oklahoma Ethanol Development Study
Act - Advisory Committee - appointment -
codification -
emergency)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 1950.1 of Title 2, unless there
is created a duplication in numbering, reads as follows:

A. This act shall be known and may be cited as the "Oklahoma
Ethanol Development Study Act".

B. The Legislature finds that Oklahoma should encourage the
processing, market development, promotion, distribution, and
research on products derived from grain, ethanol, or ethanol
components, coproducts, or by-products to provide for:

1. Expanded use of Oklahoma agricultural products;

2. Efficient and less-polluting energy sources and reserves
which will make Oklahoma less energy dependent, reduce atmospheric
carbon monoxide levels, and retain Oklahoma dollars in the Oklahoma
economy to achieve a multiplier effect thereby generating additional
jobs and tax income to the state rather than the export of Oklahoma
dollars;

3. Development of protein which will be more efficiently stored and marketed to foreign nations rather than the present method of simple export of unprocessed grain products;

4. Alternative local outlets for Oklahoma agricultural products which can be particularly utilized in times of depressed grain prices so as to give Oklahomans greater control of their crop marketing procedures rather than have crop marketing procedures too dependent upon federal agencies, major grain exporters, and foreign purchasers. Local outlets may include ethanol plants, agricultural production facilities, or facilities related to the processing, marketing, or distribution of ethanol or products derived from ethanol or ethanol components, coproducts, or by-products;

5. Cooperation with private industry to establish ethanol-related production facilities in Oklahoma to create demand for agricultural products;

6. Promotion and market development, in cooperation with private industry, of ethanol or products derived from ethanol or ethanol components, coproducts, or by-products; and

7. Sponsorship of research and development of industrial and commercial uses for agricultural ethanol and for by-products resulting from the manufacturing of agricultural ethanol in order to enhance economic feasibility and marketing potential of such products and processes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1950.2 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created until June 1, 2003, the Oklahoma Ethanol Development Advisory Committee. The Committee shall consist of the following fifteen (15) members:

1. The Director of the Department of Agriculture or designee;

2. The Director of the Department of Environmental Quality or designee;

3. The Director of the Oklahoma Conservation Commission or designee;

4. The Director of the Oklahoma Corporation Commission;

5. One member appointed by and representing the Natural Resources Conservation Service of the United States Department of Agriculture;

6. One member appointed by and representing Oklahoma State University;

7. Three members appointed by the Speaker of the House of Representatives:

a. one of which represents the ethanol industry in this state,

b. one of which represents labor interests in this state, and

c. one of which is a producer of grain sorghum;

8. Three members appointed by the President Pro Tempore of the Senate:

a. one of which is a producer of corn,

b. one of which represents the oil industry in this state with expertise in marketing or trading, and

c. one of which is actively engaged in farming in this state; and

9. Three appointed by the Governor:

a. one of which represents the ethanol industry,

b. one of which is a producer of wheat, and

c. one of which is engaged in general farming in this state.

B. Members of the Committee shall serve without compensation but shall be reimbursed for their actual and necessary expenses as provided in the State Travel Reimbursement Act by their appointing authority.

C. The Oklahoma Department of Agriculture shall provide space for meetings of the Committee and shall provide other assistance and staffing needs of the Committee.

D. Members shall serve at the pleasure of their appointing authority. Vacancies occurring on the Advisory Committee shall be filled by their appointing authority.

E. The Director of the Department of Agriculture shall call the first meeting by September 1, 2001. At the first meeting the Advisory Committee shall elect a chair and vice-chair. A majority of the members on the Advisory Committee shall represent a quorum and a majority present at a meeting may act for or on behalf of the Advisory Committee.

F. The Oklahoma Ethanol Development Advisory Committee shall:

1. Conduct a systematic review and study of the ethanol industry in Oklahoma and in other states;

2. Study the feasibility of developing and enhancing the ethanol industry in Oklahoma;

3. Study processing, market development, promotion, distribution, and research on products derived from grain, ethanol, or ethanol components, coproducts, or by-products to provide for:

- a. expanded use of Oklahoma agricultural products,
- b. development of protein which will be more efficiently stored and marketed to foreign nations rather than the present method of simple export of unprocessed grain products,
- c. alternative local outlets for Oklahoma agricultural products which can be particularly utilized in times of depressed grain prices. Local outlets may include ethanol plants, agricultural production facilities, or facilities related to the processing, marketing, or distribution of ethanol or products derived from

ethanol or ethanol components, coproducts, or by-products,

- d. promotion and market development, in cooperation with private industry, of ethanol or products derived from ethanol or ethanol components, coproducts, or by-products, and
- e. sponsorship of research and development of industrial and commercial uses for agricultural ethanol and for by-products resulting from the manufacturing of agricultural ethanol in order to enhance economic feasibility and marketing potential of such products and processes;

4. Methodology best to cooperate with private industry to establish ethanol-related production facilities in Oklahoma to create demand for agricultural products;

5. Recommend policies or programs to enhance the ability of Oklahoma agricultural landowners to participate in ethanol development and production. Such recommendations shall include potential policies or programs designed to optimize economic benefits to agricultural producers participating in ethanol development. Such policies or programs may include, but are not limited to, identifying existing, or the potential of creating, nonprofit organizations or other public or private entities capable of assisting in ethanol development, production and marketing;

6. Encourage the production of educational and advisory materials regarding ethanol production on agricultural lands and participation in systems of carbon or greenhouse emissions trading;

7. Identify and recommend areas of research needed to better understand and quantify the processes of ethanol production;

8. Study methods of funding or supporting ethanol production, development and marketing, including but not limited to the levy of

assessments on the sale of certain grains, tax credits, or other economic and revenue enhancements; and

9. Make any other recommendations deemed necessary by the Oklahoma Ethanol Development Advisory Committee pursuant to the Oklahoma Ethanol Development Study Act.

G. On or before December 1, 2002, the Department of Agriculture, in consultation with the Oklahoma Ethanol Development Advisory Committee shall prepare a report of recommendations regarding the development and enhancement of the ethanol industry in Oklahoma.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 8th day of February, 2001.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2001.

Presiding Officer of the Senate