

3 Senate Bill No. 363

4 SENATE BILL NO. 363 - By: KERR of the Senate and DeWITT of the
5 House.

6 An Act relating to biofuels; creating the Oklahoma Biofuels
7 Development Act; providing short title; stating Legislative
8 findings; stating uses of Oklahoma-produced biofuels;
9 creating the Oklahoma Biofuels Development Advisory
10 Committee; stating membership; providing for appointment of
11 members by certain date; requiring members to serve without
12 compensation; authorizing necessary travel expenses;
13 requiring certain agency to provide meeting space and
14 certain staffing assistance; providing for members to serve
15 at the pleasure of their appointing authorities; requiring
16 Secretary of Agriculture to call first meeting; providing
17 for Committee to select officers; stating requirements for
18 quorum; stating requirements for Committee; providing for
19 Committee to make certain reports as necessary; stating
20 distribution; providing for certain advisory committee
21 members to be eligible to serve if appointed; repealing 2
22 O.S. 2001, Sections 1950.1, and 1950.2, as amended by
23 Section 6, Chapter 243, O.S.L. 2003 (2 O.S. Supp. 2004,
24 Section 1950.2), which relate to the Oklahoma Ethanol
25 Development Advisory Committee; providing for codification;
26 and declaring an emergency.

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

28 SECTION 1. NEW LAW A new section of law to be codified
29 in the Oklahoma Statutes as Section 1950.10 of Title 2, unless there
30 is created a duplication in numbering, reads as follows:

31 A. This act shall be known and may be cited as the "Oklahoma
32 Biofuels Development Act".

33 B. The Legislature finds that Oklahoma should encourage the
34 processing, market development, promotion, distribution, and

1 research of fuels derived from grain, ethanol or ethanol components,
2 biodiesel, biobased lubricants, coproducts, or byproducts to provide
3 for:

4 1. Expanded use of Oklahoma agricultural products;

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

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

14 4. Alternative local outlets for Oklahoma agricultural products
15 which can be particularly utilized in times of depressed grain
16 prices so as to give Oklahomans greater control of their crop
17 marketing procedures rather than have crop marketing procedures too
18 dependent upon federal agencies, major grain exporters, and foreign
19 purchasers. Local outlets may include ethanol plants, oil seed
20 processing plants, agricultural production facilities, or facilities
21 related to the processing, marketing, or distribution of ethanol or
22 products derived from ethanol or ethanol components, other biobased
23 products, coproducts, or byproducts;

1 5. Cooperation with private industry to establish ethanol- and
2 biobased-product-related production facilities in Oklahoma to create
3 demand for agricultural products;

4 6. Promotion and market development, in cooperation with
5 private industry, of ethanol or products derived from ethanol or
6 ethanol components, biodiesel, coproducts, or byproducts; and

7 7. Sponsorship of research and development of industrial and
8 commercial uses for agricultural ethanol and biobased oils and for
9 byproducts resulting from the manufacturing of agricultural ethanol
10 and biobased products in order to enhance economic feasibility and
11 marketing potential of such products and processes.

12 SECTION 2. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1950.11 of Title 2, unless there
14 is created a duplication in numbering, reads as follows:

15 A. There is hereby created until June 1, 2010, the Oklahoma
16 Biofuels Development Advisory Committee. The Committee shall
17 consist of the following eleven (11) members:

18 1. The Secretary of Agriculture or designee;

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

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

23 4. A member of the Corporation Commission or designee;

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

3 6. A member appointed by and representing Oklahoma State
4 University; and

5 7. Five members to be appointed by the Secretary of
6 Agriculture, one each to represent the following industries:

- 7 a. feed grain producers,
- 8 b. oil seed producers,
- 9 c. oil and fuel marketers,
- 10 d. ethanol producers, and
- 11 e. oil seed processors.

12 All appointments to the Committee shall be made within thirty (30)
13 days following the enactment of this act and subsequent appointments
14 shall be made in the same manner as necessary to fill any vacancy.

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

19 C. The Oklahoma Department of Agriculture, Food, and Forestry
20 shall provide space for meetings of the Committee and shall provide
21 other assistance and staffing needs for the Committee.

22 D. Members or designees shall serve at the pleasure of their
23 appointing authorities.

1 E. The Secretary of Agriculture shall convene the first meeting
2 within sixty (60) days after the enactment of this act. At the
3 first meeting, and annually thereafter, the Committee membership
4 shall select a chair and vice chair. A majority of the members on
5 the Committee shall represent a quorum and a majority present at a
6 meeting may act for or on behalf of the Committee.

7 F. The Committee shall:

- 8 1. Conduct a systematic review and study of the ethanol and
9 biodiesel industry in Oklahoma and other states;
- 10 2. Study the feasibility of developing and enhancing the
11 ethanol and biodiesel industry in Oklahoma;
- 12 3. Study processing, market development, promotion,
13 distribution and research on products derived from grain, ethanol or
14 ethanol components, biobased products, coproducts, or byproducts to
15 provide for:
 - 16 a. expanded use of Oklahoma agricultural products,
 - 17 b. development of protein which will be more efficiently
18 stored and marketed to foreign nations rather than the
19 present method of simple export of unprocessed grain
20 products,
 - 21 c. alternative local outlets for Oklahoma agricultural
22 products which can be particularly utilized in times
23 of depressed grain prices. Local outlets may include

1 ethanol plants, agricultural production facilities, or
2 facilities related to the processing, marketing, or
3 distribution of ethanol and biodiesel or products
4 derived from ethanol or ethanol components, biobased
5 products, coproducts, or byproducts,
6 d. promotion and market development, in cooperation with
7 private industry, of ethanol or products derived from
8 ethanol or ethanol components, biobased products,
9 coproducts, or byproducts, and
10 e. sponsorship of research and development of industrial
11 and commercial uses for agricultural biobased ethanol
12 and for byproducts resulting from the manufacturing of
13 agricultural biobased ethanol in order to enhance
14 economic feasibility and marketing potential of such
15 products and processes;

16 4. Develop methodologies to best cooperate with private
17 industry to establish ethanol- and biodiesel-related production
18 facilities in Oklahoma to create demand for agricultural products;

19 5. Recommend policies or programs to enhance the ability of
20 Oklahoma agricultural landowners to participate in ethanol and
21 biobased oils development and production. Such recommendations
22 shall include potential policies or programs designed to optimize
23 economic benefits to agricultural producers participating in ethanol

1 and biodiesel development. Such policies or programs may include,
2 but are not limited to, identifying existing, or the potential of
3 creating, nonprofit organizations or other public or private
4 entities capable of assisting in ethanol development, production and
5 marketing;

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

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

13 8. Study methods of funding or supporting ethanol and biodiesel
14 production, development and marketing, including but not limited to
15 the levy of assessments on the sale of certain grains, tax credits,
16 or other economic and revenue enhancements; and

17 9. Make any other recommendations deemed necessary by the
18 Committee pursuant to the provisions of this act.

19 G. The Committee shall prepare a report of recommendations as
20 the Committee deems necessary. Any such reports shall be
21 distributed to the Governor, the President Pro Tempore of the Senate
22 and the Speaker of the House of Representatives.

1 H. Any member of the Oklahoma Ethanol Development Advisory
2 Committee shall be eligible, if appointed, to serve as a member of
3 the Oklahoma Biofuels Development Advisory Committee.

4 SECTION 3. REPEALER 2 O.S. 2001, Sections 1950.1 and
5 1950.2, as amended by Section 6, Chapter 242, O.S.L. 2003 (2 O.S.
6 Supp. 2004, Section 1950.2), are hereby repealed.

7 SECTION 4. It being immediately necessary for the preservation
8 of the public peace, health and safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT,
12 dated 2-8-05 - DO PASS, As Coauthored.