STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 363 By: Kerr

AS INTRODUCED

An Act relating to biofuels; creating the Oklahoma Biofuels Development Act; providing short title; stating Legislative findings; stating uses of Oklahoma-produced biofuels; creating the Oklahoma Biofuels Development Advisory Committee; stating membership; providing for appointment of members by certain date; requiring members to serve without compensation; authorizing necessary travel expenses; requiring certain agency to provide meeting space and certain staffing assistance; providing for members to serve at the pleasure of their appointing authorities; requiring Secretary of Agriculture to call first meeting; providing for Committee to select officers; stating requirements for quorum; stating requirements for Committee; providing for Committee to make certain reports as necessary; stating distribution; providing for certain advisory committee members to be eligible to serve if appointed; repealing 2 O.S. 2001, Sections 1950.1, and 1950.2, as amended by Section 6, Chapter 243, O.S.L. 2003 (2 O.S. Supp. 2004, Section 1950.2), which relate to the Oklahoma Ethanol Development Advisory Committee; providing for codification; and declaring an 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 1950.10 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 Biofuels Development Act".

B. The Legislature finds that Oklahoma should encourage the processing, market development, promotion, distribution, and research of fuels derived from grain, ethanol or ethanol components, biodiesel, biobased lubricants, coproducts, or byproducts 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 exporting 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, oil seed processing plants, agricultural production facilities, or facilities related to the processing, marketing, or distribution of ethanol or products derived from ethanol or ethanol components, other biobased products, coproducts, or byproducts;

5. Cooperation with private industry to establish ethanol- and biobased-product-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, biodiesel, coproducts, or byproducts; and

7. Sponsorship of research and development of industrial and commercial uses for agricultural ethanol and biobased oils and for byproducts resulting from the manufacturing of agricultural ethanol and biobased products 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 1950.11 of Title 2, unless there is created a duplication in numbering, reads as follows:

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

1. The Secretary of Agriculture or designee;

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

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

4. A member of the Corporation Commission or designee;

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

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

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

a. feed grain producers,

b. oil seed producers,

c. oil and fuel marketers,

d. ethanol producers, and

e. oil seed processors.

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

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

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

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

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

F. The Committee shall:

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

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

3. Study processing, market development, promotion, distribution and research on products derived from grain, ethanol or ethanol components, biobased products, coproducts, or byproducts 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 and biodiesel or products

derived from ethanol or ethanol components, biobased products, coproducts, or byproducts,

d. promotion and market development, in cooperation with private industry, of ethanol or products derived from ethanol or ethanol components, biobased products, coproducts, or byproducts, and

e. sponsorship of research and development of industrial and commercial uses for agricultural biobased ethanol and for byproducts resulting from the manufacturing of agricultural biobased ethanol in order to enhance economic feasibility and marketing potential of such products and processes;

4. Develop methodologies to best cooperate with private industry to establish ethanol- and biodiesel-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 and biobased oils development and production. Such recommendations shall include potential policies or programs designed to optimize economic benefits to agricultural producers participating in ethanol and biodiesel 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 and biobased 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 and biodiesel production;

8. Study methods of funding or supporting ethanol and biodiesel 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 Committee pursuant to the provisions of this act.

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

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

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

SECTION 4. 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.

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