



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

<b>2007 Senate Bill 380</b>	<b>Senate Amendments 1 and 2</b>
<i>Memo published:</i> February 1, 2008	<i>Contact:</i> David L. Lovell, Senior Analyst (266-1537)

### **2007 Senate Bill 380**

2007 Senate Bill 380 requires that a refiner, defined generally as a person who makes at least 40,000,000 gallons of wholesale sales of motor vehicle fuel in a year, must ensure that specified percentages of the fuel the refiner sells in specified years is renewable fuels, as defined in the bill.

The bill also requires that, if the total sales of biodiesel fuel sold in this state in 2008 is less than 40,000,000 gallons, beginning in 2009, any person selling diesel fuel must ensure that at least 5% of the diesel fuel the person sells is biodiesel fuel.

The bill directs or authorizes the Department of Agriculture, Trade, and Consumer Protection (DATCP) to promulgate rules on various topics related to the foregoing requirements. Among these, the DATCP may promulgate rules to create a credit trading system by which refiners can comply with the requirements of the bill regarding the sale of renewable fuels.

### **Senate Amendment 1**

Senate Amendment 1 directs the DATCP to promulgate rules establishing requirements that, beginning in 2014, refiners sell advanced biofuels and cellulosic biofuels, as defined in federal law, in amounts similar to that required to be sold under federal law. It requires that the rules include provisions for granting waivers if available supplies are not sufficient to allow refiners to comply with the requirements.

### **Senate Amendment 2**

Senate Amendment 2 does all of the following:

- Delays by one year the requirements of the bill regarding the sale of biodiesel fuel.
- Requires that any credit trading system by which refiners can comply with the requirements of the bill regarding the sale of renewable fuels, established by the DATCP in rules, be coordinated with any credit trading system created under federal law for the same purpose, including using comparable standards for denominating, measuring, verifying, using, and retiring credits.
- Provides that the DATCP must issue a written warning notice to a refiner the first time the refiner violates a requirement of the bill, and that a person is not subject to the penalties created by the bill if the DATCP has not provided such written warning.
- Reduces the maximum amount of penalties that may be imposed under the bill from \$10,000 to \$5,000 for the first offense, from \$50,000 to \$10,000 for the second offense, and from \$100,000 to \$25,000 for the third or subsequent offense.
- Directs the DATCP to conduct a study of the sale and distribution of biodiesel fuel and to report its results to the Legislature no later than January 1, 2010.

### **Legislative History**

On January 29, 2008, the Senate Committee on Campaign Finance Reform, Rural Issues, and Information Technology recommended adoption of Senate Amendment 1 by a vote of Ayes, 5; and Noes, 0; adoption of Senate Amendment 2 by a vote of Ayes, 4; and Noes, 1; and passage of Senate Bill 380, as amended, by a vote of Ayes, 4; and Noes, 1.

On January 31, 2008, the Senate adopted Senate Amendments 1 and 2, ordered Senate Bill 380 to a third reading and then referred the bill to the Committee on Senate Organization, all on voice votes.

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