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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 2190

March 19, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to motor fuels; regulating biodiesel fuel sales; amending Minnesota
1.3 Statutes 2006, section 239.77, subdivision 2.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2006, section 239.77, subdivision 2, is amended to read:

1.6 Subd. 2. **Minimum content; effective date.** (a) Except as otherwise provided
1.7 in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal
1.8 combustion engines must contain at least 2.0 percent biodiesel fuel oil by volume. Except
1.9 as otherwise provided in subdivision 3, paragraph (a), all diesel fuel sold or offered for sale
1.10 in Minnesota at retail must be biodiesel-blended fuel, which may only be acquired through
1.11 a qualified terminal. All diesel fuel sold or distributed from terminals in Minnesota that
1.12 is required to contain biodiesel fuel by volume must be blended with the biodiesel at a
1.13 qualified terminal. For purposes of this subdivision, "qualified terminal" means a terminal
1.14 that has been assigned a terminal control number by the Internal Revenue Service.

1.15 (b) The mandate in paragraph (a) is effective on and after the date that the conditions
1.16 in clauses (1) and (2), or in clauses (1) and (3), have been met:

1.17 (1) 30 or more days have passed since the commissioner of agriculture publishes
1.18 notice in the State Register that annual capacity in Minnesota for the production of
1.19 biodiesel fuel oil exceeds 8,000,000 gallons;

1.20 (2) 18 months have passed since the commissioner of agriculture publishes notice in
1.21 the State Register that a federal action on taxes imposed, tax credits, or otherwise, creates
1.22 a reduction in the price of two cents or more per gallon on taxable fuel that contains at
1.23 least two percent biodiesel fuel oil and is sold in this state;

1.24 (3) the date June 30, 2005, has passed.