

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 362  
**Version:** Fourth Engrossment  
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**Subject:** Biodiesel Fuel  
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### Overview

Biodiesel fuel is a nontoxic, biodegradable, combustible mono alkyl ester liquid fuel derived from vegetable oil, recycled cooking oil, tallow, and/or animal fats. Soybean oil is a common source of biodiesel. Biodiesel can be blended with petroleum oil and used as a substitute for straight petroleum oil in internal combustion diesel engines and many turbine engines. Biodiesel can also be used as a heating fuel. House File 362 defines biodiesel fuel oil and requires that it be included in all diesel fuel burned by the fleet of state-owned or operated diesel vehicles. The bill requires the commissioner of transportation to monitor the performance and efficiency of these vehicles and report to the legislature. Also, the commissioner will consult with representatives of various industries dependent on diesel fuel to develop protocols for biodiesel demonstration projects. The commissioner of agriculture is to report to the legislature on the availability and distribution of biodiesel in Minnesota.

### Section

- 1 **Biodiesel mandate for government vehicles.**
  - Subd. 1. Definition.** Defines biodiesel fuel oil. This definition is somewhat narrow in that it references specifically the use of biodiesel in a blend with petroleum oil to fuel internal combustion diesel engines.
  - Subd. 2. State vehicle mandate.** Requires that after July 1, 2002, all diesel powered vehicles owned or operated by the state must contain at least 5 percent biodiesel fuel by volume (B5).
  - Subd. 3. Monitor and report.** The commissioner of transportation, in consultation with other commissioners, is to monitor the performance, operating costs, and environmental impact of using B5 fuel in state vehicles. The commissioner is to report to the legislature by January 1, 2004.
- 2 **Private sector biodiesel fuel oil demonstration projects.** The commissioner of transportation is to consult with private sector diesel fuel consumers to develop protocols for biodiesel demonstration projects. The commissioner is to report to the legislature by January 1, 2002, on

the cost and feasibility of field demonstration projects.

- 3 **Definition in petroleum tax code; biodiesel fuel oil.** Defines biodiesel fuel oil by reference to the definition used in section 1.
- 4 **Tax on motor fuels.** Clarifies that the state fuel tax is to be imposed on the biodiesel component the same as on other diesel fuels.
- 5 **Biodiesel supply and distribution report.** The commissioner of agriculture is to report to the legislature by February 15 in 2002 and 2003 on issues relating to the availability and distribution of biodiesel in Minnesota.