2009 DRAFTING REQUEST

Bill

Received: **08/25/2009**

Received By: **btradewe**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC**

By/Representing: **Larry Konopacki**

This file may be shown to any legislator: **NO**

Drafter: **btradewe**

May Contact:

Addl. Drafters: **jkreye**
mshovers

Subject: **Agriculture - other**
Econ. Development - bus. dev.
Higher Education - UW System
Nat. Res. - parks and forestry
Public Util. - energy
State Govt - miscellaneous
Tax, Business - credits
Tax, Other - fuel
Tax, Property - other
Trade Regulation - other

Extra Copies:

Submit via email: **YES**

Requester's email: **larry.konopacki@legis.wisconsin.gov**

Carbon copy (CC:) to: **john.stolzenberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Combined bill for biofuels committee

Instructions:

Like 09-3254/1. Compile for LC biofuels committee

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	btradewe	jdyer		_____			S&L

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
	08/25/2009	08/25/2009		_____			Tax
/1			rschluet 08/25/2009	_____ _____	mbarman 08/25/2009	sbasford 08/26/2009	

FE Sent For:

At Intro.

<END>

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e-mailed to all atty's
↓
paper to RCT JK MES.

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/?	btradewe	1 8/25 jld	8/25				

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required

FE Sent For:

<END>

Tradewell, Becky

From: Konopacki, Larry
Sent: Tuesday, August 25, 2009 2:14 PM
To: Tradewell, Becky
Cc: Stolzenberg, John
Subject: FW: Draft Review: LRB 09-3254/1 Topic: Combined bill for biofuels committee

Hi Becky, can we get another LRB of this bill draft so we can introduce a companion bill in the Assembly?

Larry A. Konopacki
Wisconsin Legislative Council
(608) 267-0683
larry.konopacki@legis.wisconsin.gov

-----Original Message-----
From: Konopacki, Larry
Sent: Tuesday, August 25, 2009 2:13 PM
To: LRB.Legal
Subject: Draft Review: LRB 09-3254/1 Topic: Combined bill for biofuels committee

Please Jacket LRB 09-3254/1 for the SENATE.

State of Wisconsin
2009 – 2010 LEGISLATURE

SOON (m 8/25)

33/6/1

LRB-3254/1
ALL:all:rs

Keep RMNR

2009 BILL

Companion - No changes

Regen

AN ACT ***to repeal*** 66.1103 (2) (k) 18. and 93.46 (3); ***to renumber and amend*** 16.956 (2) (c), 93.46 (1) (d) and 560.126 (1); ***to amend*** 16.04 (1) (a), 16.956 (3) (a) and (c), 20.115 (4) (c), 20.115 (4) (r), 70.32 (2) (c) 1g., 71.07 (5j) (b), 71.28 (5j) (b), 71.47 (5j) (b), 73.03 (50) (intro.), 93.46 (2) (a), 96.01 (3) and 96.02; and ***to create*** 15.137 (6), 16.045 (1) (cm) and (f), 16.045 (4m) and (6), 16.954, 16.956 (1) (bg) and (br), 16.956 (2) (c) 2. and 3., 16.956 (3) (f), 16.956 (4), 20.115 (3) (im), 26.42, 70.32 (2) (c) 1i., 70.32 (2) (c) 1k., 71.07 (5j) (a) 2d., 71.07 (5j) (a) 2m., 71.28 (5j) (a) 2d., 71.28 (5j) (a) 2m., 71.47 (5j) (a) 2d., 71.47 (5j) (a) 2m., 73.0303, 78.005 (13j), 78.01 (2n), 78.07 (5), 93.07 (26), 93.46 (1) (d) 1. to 4., 93.46 (1e), 93.46 (2) (b) 4m. and 5m. and (dm), 93.47, 96.01 (4m), 96.05 (1m), 100.51 (6), 100.60, 168.05 (6), 168.12 (2) and 560.126 (1d) of the statutes; **relating to:** financial assistance related to bioenergy feedstocks, biorefineries, and conversion to biomass energy; the definition of the term agricultural use for the purpose of determining the assessed value of a parcel of land; requiring a strategic

1 bioenergy feedstock assessment; creation of a bioenergy council; the
2 agricultural and forestry diversification programs; biofuels training
3 assessment; a study of regulatory burdens relating to biofuel production
4 facilities; marketing orders and agreements for bioenergy feedstocks;
5 exempting personal renewable fuel production and use from the motor vehicle
6 fuel tax, the petroleum inspection fee, and business tax registration
7 requirements; an income and franchise tax credit for installing or retrofitting
8 pumps that mix motor vehicle fuels from separate storage tanks; offering
9 gasoline that is not blended with ethanol to motor fuel dealers; state renewable
10 motor vehicle fuels sales goals; required sales of renewable motor vehicle fuels;
11 use of petroleum–based transportation fuels by state vehicles; use of
12 alternative fuels in flex fuel vehicles owned by the state; use of public
13 alternative fuel refueling facilities; duties of the Office of Energy Independence;
14 granting rule–making authority; requiring the exercise of rule–making
15 authority; making appropriations; and providing penalties.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTE provided by the Joint Legislative Council in the bill.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

PREFATORY NOTE: This bill was prepared for the Joint Legislative Council's Special Committee on Domestic Biofuels.

Financial assistance related to biofuels. The bill expands the applicability of relevant state financial assistance programs, to ensure that the programs support the establishment, production, harvest, storage, and transport of bioenergy feedstocks; the

conversion of ethanol production plants to biomass energy for process heat; and the development and construction of biorefineries. A "biorefinery" is a facility, including equipment and processes, that converts biomass into fuels and products and may produce electricity.

In particular, the bill clarifies that the industrial revenue bond program applies to all types of biorefineries, including those that produce a fuel other than alcohol. This is accomplished by repealing the statute that lists "alcohol fuel production facilities" as a type of "project" eligible for financing with these bonds and the recognition that other types of currently eligible projects for this financing include "assembling, fabricating, manufacturing, mixing or processing facilities for any products of agriculture, forestry, mining or manufacturer," which includes biorefineries. The bill also specifies that the renewable energy grant and loan program applies to biorefineries, in general, rather than just cellulose ethanol production plants and that the agricultural diversification grant program applies to the development of new forestry products, including alternative fuels. In addition, the bill repeals s. 93.46 (3), as the Department of Agriculture, Trade and Consumer Protection (DATCP) no longer makes agricultural diversification grants under that subsection.

The definition of "agricultural use" for purposes of use value taxation. Under current law, the Department of Revenue (DOR) is required to define the term "agricultural use" for purposes of determining whether the assessed value of a parcel of land should be determined under the use value assessment method. DOR currently defines the term "agricultural use" to exclude "growing short rotation woody trees with a growing and harvesting cycle of ten years or less for pulp or tree stock under NAICS industry 111421." This bill requires DOR to define the term "agricultural use" to include the growing of short rotation woody crops, including poplars and willows, using agronomic practices.

Strategic bioenergy feedstock assessment. The bill directs the Office of Energy Independence (OEI) to coordinate the biennial preparation of a strategic bioenergy feedstock assessment by the specified state agencies. This assessment must examine the current and potential bioenergy feedstocks being produced in Wisconsin, the uses of those feedstocks, as well as the use in the state of bioenergy feedstocks produced in other states, the key factors that influence the supply of and demand for feedstocks produced in the state, and the impacts of the increased use in the state of biomass for energy production. The assessment must also recommend appropriate legislation and changes in the agencies' programs and rules.

Bioenergy advisory council, voluntary best management practices. The bill creates a bioenergy advisory council attached to DATCP and requires the council to report voluntary best management practices for sustainable biomass and biofuels production to agencies and private parties that assist biofuel feedstocks producers and biofuels producers.

The agricultural diversification program. The bill expands the agricultural diversification program administered by DATCP to include the promotion of marketable credits for reducing emissions of greenhouse gases derived from the production of agricultural commodities (also known as carbon offset credits) and of other types of energy made from these commodities in addition to alternative fuels made from agricultural source stocks. The bill creates a comparable forestry diversification program administered by the Department of Natural Resources (DNR). The bill also directs DATCP and DNR to promote these new products in cooperation with and with the assistance of each other and the University of Wisconsin–Extension (UW–Extension).

Biofuels training assessment. The bill requires the UW–Extension, in cooperation with other state entities, to conduct an educational needs assessment related

to the production of biofuels and the development and production of feedstocks for the production of biofuels, and to report its findings to the Governor and the Legislature.

Biofuels production facility regulatory review committee. The bill creates a nine–member Biofuels Production Facility Regulatory Review committee, with members appointed by the Governor, to review state and local regulatory burdens related to biofuels production facilities and to report its findings to the Governor and the Legislature.

Marketing orders and agreements for bioenergy feedstocks. Under the "Agricultural Marketing Act" marketing orders or agreements can be issued for agricultural commodities. The purposes of these orders and agreements include promoting orderly and efficient marketing and preventing economic waste by promoting fair methods of competition, uniform grading and classification, and market realization and development. An assessment is levied upon affected producers and handlers to defray the costs associated with a marketing order. This bill designates products used as bioenergy feedstocks, including timber and wood products, as "agricultural commodities" under this Act, thus authorizing the creation of a marketing order or agreement for these feedstocks with the required approval of affected producers of the feedstocks. The bill also requires the secretary of DATCP to periodically assess the development of markets for bioenergy feedstocks and determine whether the issuance of a marketing order or agreement for these products would be appropriate.

Personal renewable fuel production and use. This bill exempts the first 1,000 gallons of renewable fuel produced by a person each year, that the person uses in his or her personal vehicle, from the motor vehicle fuel excise tax, the petroleum inspection fee, and petroleum inspection requirements not required by federal law. The bill also allows a person to produce this renewable fuel without a business tax registration certificate or a motor vehicle fuel tax license.

Income tax credit for blender pumps. Under current law, an "ethanol and biodiesel fuel pump" income tax credit is available for claimants who install or retrofit equipment for dispensing motor vehicle fuel to end–users that dispense fuel consisting of at least 85 percent ethanol or at least 20 percent biodiesel fuel. The amount of the credit is 25 percent of the cost to install or retrofit such equipment but is limited to $5,000 per service station for which the claimant has installed or retrofitted such equipment. This credit is available for taxable years beginning after December 31, 2007, and before January 1, 2018. This bill modifies the definition of fuel subject to this credit and allows this income tax credit to be claimed for the installation or retrofit of equipment that blends fuels from separate storage tanks allowing the end–user to choose the percentage of gasoline–replacement renewable fuel or diesel–replacement renewable fuel in the dispensed fuel.

Required offering of unblended gasoline to motor fuel dealers. This bill requires a motor fuel grantor (grantor) to offer unblended gasoline, suitable for subsequent blending with ethanol and subsequent sale, to any motor fuel dealer (dealer) with which it has a motor fuel dealership agreement (agreement). This bill also prohibits an agreement or contract between a dealer and grantor from requiring the dealer to purchase ethanol from the grantor exclusively. This bill does not prohibit agreements from requiring the subsequent blending of unblended gasoline received by a dealer prior to sale to an end–user, and does not prohibit grantors and dealers from entering into agreements with respect to the transfer of renewable fuels credits under the federal renewable fuels standard.

State renewable motor vehicle fuels sales goals and sales requirements. The bill creates annual sales goals for renewable fuels in this state equaling 110 percent of the state's share of renewable fuel sales required nationally under the federal renewable fuel standard (F–RFS). The bill groups the categories of renewable fuel under

the F–RFS into two categories for purposes of the state goals: gasoline–replacement renewable fuels and diesel–replacement renewable fuels. The state's share of renewable fuels under the F–RFS is determined based on the total volume of motor vehicle fuel sold in this state as compared to the total volume of motor vehicle fuel sold nationally over the three years preceding the year for which the calculation is made. Fuels must meet or exceed F–RFS greenhouse gas reduction requirements to be included in state sales calculations.

The bill requires DATCP, in cooperation with and with assistance from Department of Commerce, DOR, and OEI, to collect information needed to determine whether these annual renewable fuels sales goals are met for each year following enactment of this bill. DATCP is also generally required to collect information necessary to assess the cause, and to conduct an assessment, if an annual sales goal is not met, and report its findings to the Legislature and Governor. This assessment must include determinations related to renewable fuels systems and markets, regulatory obstacles, and the effect of potential specific individual sales requirements. If DATCP determines in an assessment that individual sales requirements would likely result in renewable fuel sales that would meet the annual goals, DATCP must require such sales by rule. In addition to annual sales requirements, these rules may include reporting, recordkeeping, or testing requirements, quarterly or monthly sales requirements in certain situations, a credit trading system, procedures for DATCP to temporarily suspend a sales requirement, and fees for the administration and enforcement of the program.

The bill creates a program revenue appropriation to DATCP that funds the administration and enforcement of the renewable fuel program. This appropriation is funded by fees that DATCP establishes by rule as part of the implementation of the program. The bill provides penalties for violations of any renewable fuel program rules adopted by DATCP and for violations of any of the reporting requirements authorized by the bill.

The state as a leader; renewable fuels use in the state fleet. The bill codifies Executive Order #141, relating to increased utilization of renewable fuels and vehicles owned and operated by the State of Wisconsin. In particular, the bill directs DOA to require state agencies to reduce the amount of gasoline and diesel fuels they use that are petroleum–based by specified percentages, requires OEI to promote the use of alternative fuels in flex fuel vehicles owned by the state, and directs OEI and DATCP to cooperatively promote public alternative fuel refueling facilities.

Other duties of the Office of Energy Independence. The bill directs OEI to work on initiatives that have the goals of ensuring that Wisconsin is a national leader in developing biorefineries and advancing the sale and use of intermediate blends of gasoline and biofuels. The bill clarifies that OEI shall serve as the central unit of state government to coordinate the activities of all state agencies in connection with the initiatives specified in the office's enabling statute and that the other state agencies shall assist the office in fulfilling its duties.

1 **SECTION 1.** 15.137 (6) of the statutes is created to read:

2 15.137 **(6)** BIOENERGY COUNCIL. There is created a bioenergy council which is
3 attached to the department of agriculture, trade and consumer protection under s.
4 15.03. The secretary of agriculture, trade and consumer protection shall appoint the
5 members of the council, to serve at the pleasure of the secretary.

1 **SECTION 2.** 16.04 (1) (a) of the statutes is amended to read:

2 16.04 **(1)** (a) Develop uniform state policies and guidelines for vehicle and
3 aircraft acquisition, use, maintenance, recording of operational and other costs,
4 performance evaluation and replacement of vehicles and aircraft. <u>The department</u>
5 <u>shall incorporate the fuel usage requirements under s. 16.045 (4m) in any policies</u>
6 <u>or guidelines developed under this paragraph.</u>

7 **SECTION 3.** 16.045 (1) (cm) and (f) of the statutes are created to read:

8 16.045 **(1)** (cm) "Flex fuel vehicle" means a vehicle designed to operate on
9 gasoline, a blend of a fuel marketed as gasoline and 85 percent ethanol or a higher
10 percentage of ethanol, or a mixture of gasoline and that blend.

11 (f) "Office" means the office of energy independence.

12 **SECTION 4.** 16.045 (4m) and (6) of the statutes are created to read:

13 16.045 **(4m)** The department shall require all agencies to collectively reduce
14 the usage of gasoline and diesel fuel in state–owned vehicles that is petroleum–based
15 below the total amount that the agencies used in 2006 by at least the following
16 percentages:

17 (a) For gasoline:

18 1. Twenty percent by 2010.

19 2. Fifty percent by 2015.

20 (b) For diesel fuel:

21 1. Ten percent by 2010.

22 2. Twenty–five percent by 2015.

23 **(6)** The office shall adopt, revise as necessary, and implement a plan designed
24 to facilitate usage of alternative fuels in the flex fuel vehicles and other vehicles
25 owned by the state. The plan shall ensure all of the following:

(a) That all flex fuel vehicles and other vehicles powered by an alternative fuel other than gasohol that are owned by the state are identifiable.

(b) That all state employees driving flex fuel vehicles and other vehicles powered by an alternative fuel other than gasohol are made aware of the alternative fuel refueling stations in the vicinity of their route of travel.

(c) That all state employees strive to use alternative fuels when operating state flex fuel and diesel–powered vehicles.

SECTION 5. 16.954 of the statutes is created to read:

16.954 Strategic bioenergy feedstock assessment. (1) In this section:

(a) "Affected agencies" means the department of administration, the department of agriculture, trade and consumer protection, the department of natural resources, the office, and the public service commission.

(b) "Bioenergy feedstock" means biomass used to produce energy, including transportation fuel, heat, or electricity.

(c) "Office" means the office of energy independence.

(2) The office shall coordinate among affected agencies the preparation of a biennial strategic bioenergy feedstock assessment that assists producers and users of bioenergy feedstocks and state and local government policy makers in understanding trends in the production and use of bioenergy feedstocks in this state and the effects of that production and use. Using readily available information, each assessment shall do all of the following:

(a) Summarize the bioenergy feedstocks currently and projected to be produced in the state by region.

1 (b) Identify the current and projected significant markets for bioenergy
2 feedstocks produced in the state and major facilities located or likely to be located in
3 the state that use bioenergy feedstocks produced in or outside the state.
4 (c) Identify key factors that influence the supply of and demand for major
5 bioenergy feedstocks in the state, including the types and amounts of land devoted
6 to producing these feedstocks.
7 (d) Assess whether any of the factors identified under par. (c) are likely to
8 change during the period covered by the assessment and, if so, how those changes
9 may affect the availability of future bioenergy feedstocks.
10 (e) Assess the impacts of the increased use in the state of biomass for energy
11 production on all of the following:
12 1. Other consumers of that biomass.
13 2. Land use.
14 3. Environmental quality.
15 4. Other benefits and services derived from the natural systems in which the
16 biomass is produced.
17 (f) Recommend, as appropriate, legislation or changes in programs or rules of
18 affected agencies, including whether the assessment should be continued.
19 **(3)** No later than April 30, 2013, and no later than April 30 of each
20 odd–numbered year thereafter, the office shall submit a copy of an assessment
21 prepared under sub. (2) to the governor and the appropriate standing committees of
22 the legislature under s. 13.172 (3) and shall post a copy of the assessment on the
23 office's Internet site.
24 **SECTION 6.** 16.956 (1) (bg) and (br) of the statutes are created to read:

16.956 **(1)** (bg) "Biorefinery" means a facility, including equipment and processes, that converts biomass into fuels and products and may produce electricity.

(br) "Executive branch agency" has the meaning given in s. 16.70 (4).

SECTION 7. 16.956 (2) (c) of the statutes is renumbered 16.956 (2) (c) (intro.) and amended to read:

16.956 **(2)** (c) (intro.) Ensuring that Wisconsin is a national leader in ~~groundbreaking~~ all of the following:

1. Groundbreaking research that will make alternative energies more affordable and create well–paying jobs in this state.

SECTION 8. 16.956 (2) (c) 2. and 3. of the statutes are created to read:

16.956 **(2)** (c) 2. Developing biorefineries.

3. Advancing the sale and use in all types of motor vehicles of blends of gasoline and a biofuel that contain more than 10 percent of the biofuel.

SECTION 9. 16.956 (3) (a) and (c) of the statutes are amended to read:

16.956 **(3)** (a) Ensure and facilitate the implementation of the initiatives specified in sub. (2) and identify barriers to the implementation of such initiatives. The office shall serve as the central unit of state government to coordinate the activities of all executive branch agencies in connection with these initiatives.

(c) Develop energy independence policy options for consideration by the governor, the legislature, and ~~state~~ the executive branch agencies.

SECTION 10. 16.956 (3) (f) of the statutes is created to read:

16.956 **(3)** (f) Pursue, in cooperation with the department of agriculture, trade and consumer protection, the establishment and maintenance of sufficient alternative fuel refueling facilities at public retail outlets to meet the traveling needs of the public.

1 **SECTION 11.** 16.956 (4) of the statutes is created to read:

2 16.956 **(4)** Other state agencies shall assist the office in fulfilling its duties
3 under this section to the fullest extent possible.

4 **SECTION 12.** 20.005 (3) (schedule) of the statutes: at the appropriate place,
5 insert the following amounts for the purposes indicated:

			2009–10	**2010–11**
6				
7 **20.115 Agriculture trade and consumer**				
8 **protection, department of**				
9 (3) AGRICULTURAL DEVELOPMENT SERVICES				
10 (im) Renewable fuel program	PR	A	–0–	–0–

11 **SECTION 13.** 20.115 (3) (im) of the statutes is created to read:

12 20.115 **(3)** (im) *Renewable fuel program.* The amounts in the schedule for the
13 administration and enforcement of the renewable fuel program under s. 100.60 (5).
14 All monies received from the fees authorized by s. 100.60 (5) (f) shall be credited to
15 this appropriation account.

16 **SECTION 14.** 20.115 (4) (c) of the statutes is amended to read:

17 20.115 **(4)** (c) *Agricultural investment aids.* Biennially, the amounts in the
18 schedule for agricultural research and development grants under s. 93.46 (2) ~~and (3)~~.

19 **SECTION 15.** 20.115 (4) (r) of the statutes is amended to read:

20 20.115 **(4)** (r) *Agricultural investment aids, agrichemical management fund.*
21 Biennially, from the agrichemical management fund, the amounts in the schedule
22 for agricultural research and development grants under s. 93.46 (2) ~~and (3)~~.

23 **SECTION 16.** 26.42 of the statutes is created to read:

26.42 Forestry diversification. (1) The department shall establish a forestry diversification program and shall promote and assist the development and use of industrial and commercial products from forestry products, including all of the following:

(a) Alternative fuels, including fuels that are considered to be renewable fuels under the renewable fuel program under 42 USC 7545 (o).

(b) Heat.

(c) Electricity, including electricity that satisfies the requirements in s. 196.378 (2).

(d) Marketable credits for reducing emissions of greenhouse gases, as defined in s. 285.78 (1) (c), derived from appropriate management practices used in the production of timber.

(2) The department shall promote and assist the development and use of the products identified in sub. (1) (a) to (d) in cooperation with and with the assistance of the department of agriculture, trade and consumer protection and the University of Wisconsin–Extension.

SECTION 17. 66.1103 (2) (k) 18. of the statutes is repealed.

SECTION 18. 70.32 (2) (c) 1g. of the statutes is amended to read:

70.32 **(2)** (c) 1g. "Agricultural land" means land, exclusive of buildings and improvements and the land necessary for their location and convenience, that is devoted primarily to agricultural use~~, as defined by rule~~.

SECTION 19. 70.32 (2) (c) 1i. of the statutes is created to read:

70.32 **(2)** (c) 1i. "Agricultural use" means agricultural use as defined by the department of revenue by rule and includes the growing of short rotation woody crops, including poplars and willows, using agronomic practices.

1 **SECTION 20.** 70.32 (2) (c) 1k. of the statutes is created to read:

2 70.32 **(2)** (c) 1k. "Agronomic practices" means agricultural practices generally
3 associated with field crop production, including soil management, cultivation, and
4 row cropping.

5 **SECTION 21.** 71.07 (5j) (a) 2d. of the statutes is created to read:

6 71.07 **(5j)** (a) 2d. "Diesel replacement renewable fuel" includes biodiesel and
7 any other fuel derived from a renewable resource that meets all of the applicable
8 requirements of the American Society for Testing and Materials for that fuel and that
9 the department of commerce designates by rule as a diesel replacement renewable
10 fuel.

11 **SECTION 22.** 71.07 (5j) (a) 2m. of the statutes is created to read:

12 71.07 **(5j)** (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and
13 any other fuel derived from a renewable resource that meets all of the applicable
14 requirements of the American Society for Testing and Materials for that fuel and that
15 the department of commerce designates by rule as a gasoline replacement renewable
16 fuel.

17 **SECTION 23.** 71.07 (5j) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
18 is amended to read:

19 71.07 **(5j)** (b) *Filing claims.* Subject to the limitations provided in this
20 subsection, for taxable years beginning after December 31, 2007, and before January
21 1, 2018, a claimant may claim as a credit against the taxes imposed under ss. 71.02
22 and 71.08, up to the amount of the taxes, an amount that is equal to 25 percent of the
23 amount that the claimant paid in the taxable year to install or retrofit pumps located
24 in this state that dispense motor vehicle fuel ~~consisting of at least~~ marketed as
25 gasoline and 85 percent ethanol or a higher percentage of ethanol or ~~at least~~ motor

vehicle fuel marketed as diesel fuel and 20 percent biodiesel fuel or that mix fuels from separate storage tanks and allow the end user to choose the percentage of gasoline replacement renewable fuel or diesel replacement renewable fuel in the motor vehicle fuel dispensed.

SECTION 24. 71.28 (5j) (a) 2d. of the statutes is created to read:

71.28 **(5j)** (a) 2d. "Diesel replacement renewable fuel" includes biodiesel and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce designates by rule as a diesel replacement renewable fuel.

SECTION 25. 71.28 (5j) (a) 2m. of the statutes is created to read:

71.28 **(5j)** (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce designates by rule as a gasoline replacement renewable fuel.

SECTION 26. 71.28 (5j) (b) of the statutes is amended to read:

71.28 **(5j)** (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2007, and before January 1, 2018, a claimant may claim as a credit against the taxes imposed under s. 71.23, up to the amount of the taxes, an amount that is equal to 25 percent of the amount that the claimant paid in the taxable year to install or retrofit pumps located in this state that dispense motor vehicle fuel ~~consisting of at least~~ marketed as gasoline and 85 percent ethanol or a higher percentage of ethanol or ~~at least~~ motor vehicle fuel marketed as diesel fuel and 20 percent biodiesel fuel or that mix fuels from separate

storage tanks and allow the end user to choose the percentage of gasoline replacement renewable fuel or diesel replacement renewable fuel in the motor vehicle fuel dispensed.

SECTION 27. 71.47 (5j) (a) 2d. of the statutes is created to read:

71.47 **(5j)** (a) 2d. "Diesel replacement renewable fuel" includes biodiesel and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce designates by rule as a diesel replacement renewable fuel.

SECTION 28. 71.47 (5j) (a) 2m. of the statutes is created to read:

71.47 **(5j)** (a) 2m. "Gasoline replacement renewable fuel" includes ethanol and any other fuel derived from a renewable resource that meets all of the applicable requirements of the American Society for Testing and Materials for that fuel and that the department of commerce designates by rule as a gasoline replacement renewable fuel.

SECTION 29. 71.47 (5j) (b) of the statutes is amended to read:

71.47 **(5j)** (b) *Filing claims.* Subject to the limitations provided in this subsection, for taxable years beginning after December 31, 2007, and before January 1, 2018, a claimant may claim as a credit against the taxes imposed under s. 71.43, up to the amount of the taxes, an amount that is equal to 25 percent of the amount that the claimant paid in the taxable year to install or retrofit pumps located in this state that dispense motor vehicle fuel ~~consisting of at least~~ marketed as gasoline and 85 percent ethanol or a higher percentage of ethanol or ~~at least~~ motor vehicle fuel marketed as diesel fuel and 20 percent biodiesel fuel or that mix fuels from separate storage tanks and allow the end user to choose the percentage of gasoline

replacement renewable fuel or diesel replacement renewable fuel in the motor vehicle fuel dispensed.

SECTION 30. 73.03 (50) (intro.) of the statutes is amended to read:

73.03 **(50)** (intro.) With the approval of the joint committee on finance, to establish fees for obtaining a business tax registration certificate, which, except as provided in s. 73.0302, is valid for 2 years, and for renewing that certificate and, except as provided in ~~s.~~ ss. 73.0302 and 73.0303, shall issue and renew those certificates if the person who wishes to obtain or renew a certificate does all of the following:

SECTION 31. 73.0303 of the statutes is created to read:

73.0303 Personal renewable fuel production. The department may not require a person to obtain a business tax registration certificate related to the production or use of renewable fuel that is exempt under s. 78.01 (2n) from the tax imposed under s. 78.01 (1).

SECTION 32. 78.005 (13j) of the statutes is created to read:

78.005 **(13j)** "Renewable fuel" means fuel that is produced from renewable biomass and that is used to replace or reduce the quantity of fossil fuel used in motor vehicle fuel. "Renewable fuel" includes biodiesel fuel, as defined in s. 168.14 (2m).

SECTION 33. 78.01 (2n) of the statutes is created to read:

78.01 **(2n)** PERSONAL RENEWABLE FUEL PRODUCER EXEMPTION. No tax is imposed under sub. (1) on the first 1,000 gallons of renewable fuel produced or converted from another purpose each year by an individual and used by that individual in his or her personal motor vehicle, if the individual does not sell any such renewable fuel during that year.

SECTION 34. 78.07 (5) of the statutes is created to read:

78.07 **(5)** Renewable fuel exempt under s. 78.01 (2n) from the tax under s. 78.01 (1) is not received for the purposes of this section.

SECTION 35. 93.07 (26) of the statutes is created to read:

93.07 **(26)** ALTERNATIVE FUEL REFUELING FACILITIES. To pursue in cooperation with the office of energy independence, the establishment and maintenance of sufficient alternative fuel refueling facilities at public retail outlets to meet the traveling needs of the public.

SECTION 36. 93.46 (1) (d) of the statutes is renumbered 93.46 (1) (d) (intro.) and amended to read:

93.46 **(1)** (d) (intro.) Promote and assist the development and use of industrial and commercial products from agricultural commodities ~~and forestry products~~ and from the production of these commodities, including ~~alternative fuels produced from agricultural source stocks.~~ all of the following:

SECTION 37. 93.46 (1) (d) 1. to 4. of the statutes are created to read:

93.46 **(1)** (d) 1. Alternative fuels, including fuels that are considered to be renewable fuels under the renewable fuel program under 42 USC 7545 (o).

2. Heat.

3. Electricity, including electricity that satisfies the requirements in s. 196.378 (2).

4. Marketable credits for reducing emissions of greenhouse gases, as defined in s. 285.78 (1) (c), derived from appropriate management practices used in the production of the agricultural commodity.

SECTION 38. 93.46 (1e) of the statutes is created to read:

93.46 **(1e)** The department shall promote and assist the development and use of the products identified in sub. (1) (d) 1. to 4. in cooperation with and with the

assistance of the department of natural resources and the University of Wisconsin–Extension.

SECTION 39. 93.46 (2) (a) of the statutes is amended to read:

93.46 **(2)** (a) The department shall make agricultural and forestry research and development grants. The department may provide grants to fund demonstration projects, feasibility analyses and applied research directed toward new or alternative technologies and practices that will stimulate agricultural and forestry development and economic activity.

SECTION 40. 93.46 (2) (b) 4m. and 5m. and (dm) of the statutes are created to read:

93.46 **(2)** (b) 4m. Diversification and expansion of the production, processing, and distribution of forestry products that are used to produce alternative fuels, heat, or electricity.

5m. Commercial application of new technologies or practices related to the production of alternative fuels, heat, or electricity from forestry products.

(dm) If the department receives an application under this subsection for a grant for a forestry–related project, analysis, or applied research, the department shall do all of the following:

1. Consult with the department of natural resources in evaluating the grant application.

2. If the department of agriculture, trade and consumer protection awards the grant, require the grant recipient to coordinate its activities under the grant with any forestry–related programs identified by the department of natural resources in the consultation under subd. 1.

SECTION 41. 93.46 (3) of the statutes is repealed.

1 **SECTION 42.** 93.47 of the statutes is created to read:

2 **93.47 Bioenergy council. (1)** The bioenergy council shall identify voluntary
3 best management practices for sustainable biomass and biofuels production, which
4 may include consideration of practices related to choosing biomass species, where to
5 plant, crop management, harvest, and processing and transport, and factors such as
6 soil management, chemical inputs, carbon sequestration in soil and root mass, plant
7 and animal biodiversity, and other factors at the discretion of the council. The council
8 shall consider efforts relating to sustainable biomass and biofuels production
9 conducted by other entities, including the council on forestry.

10 **(2)** The council shall report its findings, at least biennially, to agencies and
11 private parties that assist producers of biofuel feedstocks and biofuels, as
12 determined by the council.

13 **SECTION 43.** 96.01 (3) of the statutes is amended to read:

14 96.01 **(3)** "Agricultural commodity" means any agricultural, horticultural
15 (excepting floricultural), viticultural, vegetable, poultry, and livestock products
16 produced in this state, <u>including for use as a bioenergy feedstock,</u> including milk and
17 milk products, bees and honey, or any class, variety or utilization thereof, either in
18 their natural state or as processed by a producer for the purpose of marketing such
19 product or by a processor, but not including timber and wood products<u>, except timber</u>
20 <u>and wood products used as a bioenergy feedstock</u>.

21 **SECTION 44.** 96.01 (4m) of the statutes is created to read:

22 96.01 **(4m)** "Bioenergy feedstock" has the meaning given in s. 16.954 (1) (b).

23 **SECTION 45.** 96.02 of the statutes is amended to read:

24 **96.02 Policy.** It is declared to be the policy of this state to promote orderly and
25 efficient marketing of agricultural commodities and to prevent economic waste of the

agricultural wealth of this state. Unfair methods of competition, lack of uniform grading and classification of agricultural commodities, and the inability of individual producers to obtain present markets or to develop new or larger markets for Wisconsin agricultural commodities result in disorderly marketing of such commodities. As a result agricultural producers are prevented from receiving a fair return for the products which they market. Such conditions jeopardize the continued production of ~~an~~ adequate food ~~supply~~ and energy supplies for this and other states, and may result in unemployment with its attendant burdens on the citizens of this state. The production, processing and marketing of agricultural commodities within this state is hereby declared to be affected with a public interest and this chapter is enacted for the purpose of protecting the health, peace, safety and general welfare of the people of this state.

SECTION 46. 96.05 (1m) of the statutes is created to read:

96.05 **(1m)** If the secretary, based on periodic assessments of markets for bioenergy feedstocks, determines that the issuance of a marketing order or agreement for bioenergy feedstocks will effectuate the declared policy of this chapter, the secretary shall propose the issuance of a marketing order or agreement under sub. (1) for bioenergy feedstocks.

SECTION 47. 100.51 (6) of the statutes is created to read:

100.51 **(6)** UNBLENDED GASOLINE SALES REQUIREMENT. (a) A motor fuel grantor that provides gasoline to a motor fuel dealer under a motor fuel dealership agreement shall offer gasoline to the motor fuel dealer that is not blended with ethanol and that is suitable for subsequent blending with ethanol and for resale. For purposes of this subsection, gasoline that is not blended with ethanol is not suitable for subsequent sale if the price charged for the unblended gasoline by the motor fuel

1 grantor does not fairly reflect the average posted terminal price, as defined in s.
2 100.30 (2) (a).
3 (b) No motor fuel dealership agreement or contract between a motor fuel dealer
4 and a motor fuel grantor may require a motor fuel dealer to purchase ethanol for
5 blending purposes only from the motor fuel grantor.
6 (c) Nothing in this subsection prohibits a motor fuel dealership agreement from
7 requiring the motor fuel dealer to blend gasoline received under par. (a) with a
8 specified amount of ethanol by volume prior to the sale of the gasoline to the end user.
9 (d) Nothing in this subsection prohibits a motor fuel dealership agreement from
10 providing for the transfer of credits under 42 USC 7545 (o) (2) between the motor fuel
11 dealer and the motor fuel grantor.
12 **SECTION 48.** 100.60 of the statutes is created to read:
13 **100.60 State renewable fuels goal. (1)** DEFINITIONS. In this section:
14 (a) "Biodiesel" means a fuel that is comprised of monoalkyl esters of long chain
15 fatty acids derived from vegetable oils or animal fats and that meets all of the
16 applicable requirements of the American Society for Testing and Materials.
17 (b) "Diesel–replacement renewable fuel" means any of the following:
18 1. Biodiesel.
19 2. Any other fuel that can substitute for petroleum–based diesel fuel, that is
20 derived from a renewable resource, that meets all of the applicable requirements of
21 the American Society for Testing and Materials for that fuel, and that the
22 department of commerce designates as a diesel–replacement renewable fuel under
23 sub. (7) (a).
24 (c) "Gasoline–replacement renewable fuel" means any of the following:
25 1. Ethanol.

1 2. Any other fuel that can substitute for gasoline, that is derived from a
2 renewable resource, that meets all of the applicable requirements of the American
3 Society for Testing and Materials for that fuel, and that the department of commerce
4 designates as a gasoline–replacement renewable fuel under sub. (7) (b).
5 (d) "Motor vehicle fuel" means any substance used to fuel motor vehicles used
6 for transportation on public roadways.
7 (e) "Renewable fuel" means a gasoline–replacement renewable fuel or a
8 diesel–replacement renewable fuel.
9 **(2)** GOALS. (a) *Definitions.* In this subsection:
10 1. "Federal advanced biofuel volume" means the volume for the year listed in
11 42 USC 7545 (o) (2) (B) (i) (II) or determined by the federal environmental protection
12 agency under 42 USC 7545 (o) (2) (B) (ii) for advanced biofuel, except as provided
13 under par. (d).
14 2. "Federal biomass–based diesel volume" means the volume for the year listed
15 in 42 USC 7545 (o) (2) (b) (i) (IV) or determined by the federal environmental
16 protection agency under 42 USC 7545 (o) (2) (B) (ii) for biomass–based diesel, except
17 as provided under par. (d).
18 3. "Federal cellulosic biofuel volume" means the volume for the year listed in
19 42 USC 7545 (o) (2) (B) (i) (III) or determined by the federal environmental protection
20 agency under 42 USC 7545 (o) (2) (B) (ii) for cellulosic biofuel, except as provided
21 under par. (d).
22 4. "Federal diesel–replacement renewable fuel percentage" means the number
23 calculated as follows:
24 a. Subtract the sum of the federal cellulosic biofuel volume and the federal
25 biomass–based diesel volume from the federal advanced biofuel volume.

b. Subtract the amount determined under subd. 4. a. from the federal renewable fuel volume.

c. Divide the federal biomass–based diesel volume by the amount determined under subd. 4. b.

5. "Federal diesel–replacement renewable fuel volume" means the volume calculated as follows:

a. Subtract the sum of the federal cellulosic biofuel volume and the federal biomass–based diesel volume from the federal advanced biofuel volume.

b. Multiply the federal diesel–replacement renewable fuel percentage by the amount determined under subd. 5. a.

c. Add the federal biomass–based diesel volume to the amount determined under subd. 5. b.

6. "Federal gasoline–replacement renewable fuel volume" means the volume calculated by subtracting the federal diesel–replacement renewable fuel volume from the federal renewable fuel volume.

7. "Federal renewable fuel volume" means the volume for the year listed in 42 USC 7545 (o) (2) (B) (i) (I) or determined by the federal environmental protection agency under 42 USC 7545 (o) (2) (B) (ii) for renewable fuel, except as provided under par. (d).

8. "State percentage of motor vehicle fuel sold nationally" for a year means the number calculated as follows:

a. For each of the 3 years that preceded the year, divide the total volume of motor vehicle fuel sold in this state by the total volume of motor vehicle fuel sold nationally. If complete information for the most recent year is unavailable, the department may estimate sales for that year.

1 b. Add the quotients calculated in subd. 8. a. and divide by 3.

2 9. "Year" means the year for which the gasoline–replacement renewable fuel
3 goal or diesel–replacement renewable fuel goal is being determined.

4 (b) *Gasoline–replacement renewable fuels sales volume.* The state goal for the
5 minimum annual volume of gasoline–replacement renewable fuels sold in motor
6 vehicle fuel in the state for a year is an amount calculated as follows:

7 1. Multiply the federal gasoline–replacement renewable fuel volume for the
8 year by 1.1.

9 2. Multiply the amount determined under subd. 1. by the state percentage of
10 motor vehicle fuel sold nationally for the year.

11 (c) *Diesel–replacement renewable fuels sales volume.* The state goal for the
12 minimum annual volume of diesel–replacement renewable fuels sold in motor
13 vehicle fuel in the state for a year is an amount calculated as follows:

14 1. Multiply the federal diesel–replacement renewable fuel volume for the year
15 by 1.1.

16 2. Multiply the amount determined under subd. 1. by the state percentage of
17 motor vehicle fuel sold nationally for the year.

18 (d) *Federal volume adjustments.* 1. The department shall adjust a volume
19 specified in par. (a) 1., 2., 3., or 7., in accordance with any waiver to the volume
20 granted by the federal environmental protection agency under 42 USC 7545 (o) (7).

21 2. The department shall adjust a volume specified in par. (a) 1., 2., 3., or 7., by
22 rule if the department determines that the regulations of the federal environmental
23 protection agency adopted under 42 USC 7545 (o), other than 42 USC 7545 (o) (7),
24 result in the actual volume of one of these types of fuel that is required to be sold

1 under 42 USC 7545 (o) differing from the corresponding volume specified under par.
2 (a) 1., 2., 3., or 7.

3 **(3)** ANNUAL SALES DETERMINATION. (a) Annually, beginning in the year after the
4 year in which this paragraph takes effect .... [LRB inserts date], the department, in
5 cooperation with and with assistance from the department of commerce, the
6 department of revenue, and the office of energy independence, shall determine
7 whether the annual goals for sales of renewable fuels in sub. (2) (b) and (c), for the
8 previous year, were met in the state in that year.

9 (b) The department may not include sales of gasoline–replacement renewable
10 fuel or diesel–replacement renewable fuel in making the determination under par.
11 (a) unless the fuel meets or exceeds applicable requirements for greenhouse gas
12 emissions reduction under 42 USC 7545 (o) (1) (B) (i), (D), (E) or (2) (A) (i) or under
13 42 USC 7545 (o) (4).

14 **(4)** ASSESSMENT. (a) Except as provided in par. (b), if the department
15 determines under sub. (3) (a) that an annual goal for sales of renewable fuels in sub.
16 (2) (b) or (c), was not met, the department shall assess the cause and report its
17 findings to the governor and, under s. 13.172 (3), to the standing committees of the
18 legislature that oversee issues related to renewable fuel. The department shall
19 include all of the following in the assessment:

20 1. A determination of whether renewable fuels are available in sufficient
21 quantities and at prices comparable to the type of fuel that they replace, and if so,
22 whether fluctuations in demand for renewable fuels are a cause of sales below the
23 goal.

24 2. A determination of whether state or federal laws prevent or impede the sale
25 of the renewable fuels in volumes that meet the goals in sub. (2).

1 3. An assessment of the motor vehicle fuel production, distribution, and
2 marketing systems in this state to determine how practices could be changed to
3 increase the volume of renewable fuel sold in this state.

4 4. A determination of whether requirements for renewable fuel sales by
5 individual refiners, wholesalers, suppliers, distributors, retailers, or any other
6 persons involved in the production, distribution, or marketing of motor vehicle fuel,
7 would likely result in sales of volumes of renewable fuels that meet the goals in sub.
8 (2).

9 5. If the department has promulgated rules under sub. (5), a determination of
10 the effectiveness of the rules in stimulating renewable fuel sales in this state that
11 meet or exceed the goals in sub. (2) and an assessment of whether changes to the
12 rules would better promote the purposes of this section.

13 (b) If the department determines under sub. (3) (a) that an annual goal for sales
14 of gasoline–replacement renewable fuels or diesel–replacement renewable fuels in
15 sub. (2) (b) or (c), was not met in a year, the department has conducted an assessment
16 under par. (a) for a previous year for the same category of renewable fuels, and the
17 department determines that another assessment for the same category of renewable
18 fuels will not further the purposes of this section, an assessment and report to the
19 governor and the legislature under par. (a) are not required.

20 **(5)** RENEWABLE FUEL SALES REQUIREMENTS. If the department determines under
21 sub. (4) (a) 4. or 5. that requirements for renewable fuel sales would likely result in
22 sales of volumes of renewable fuels that meet the goals in sub. (2), the department
23 shall prescribe requirements by rule to accomplish this purpose. The department
24 may include any of the following in rules promulgated under this subsection:

25 (a) Reporting, record–keeping, or testing requirements.

1 (b) Annual requirements for sales of renewable fuels in this state.

2 (c) Quarterly or monthly requirements for sales of a renewable fuel if the
3 department determines that these requirements are necessary to maintain the
4 availability of the renewable fuel in the state and to prevent harm to markets for the
5 renewable fuel in the state caused by fluctuations in demand for the renewable fuel.

6 (d) A system for persons subject to the requirements to trade credits for
7 prescribed sales of renewable fuel.

8 (e) Procedures for the department to temporarily suspend a sales requirement.

9 (f) Fees for the administration and enforcement of this subsection.

10 **(6)** REPORTING. (a) The department shall consult with the department of
11 commerce, the department of revenue, and the office of energy independence to
12 determine if information necessary to make a determination under sub. (3) (a) or an
13 assessment under sub. (4) or required to be reported under a rule promulgated under
14 sub. (5) is being collected by these agencies under laws in effect on the effective date
15 of this paragraph .... [LRB inserts date]. If the information is not being collected, the
16 department may request the department of commerce, the department of revenue,
17 or the office of energy independence to collect the information if collection by one of
18 these agencies is more cost–effective for state government and less burdensome for
19 the persons subject to the reporting requirements than collection of the information
20 by the department.

21 (b) The department may require refiners, wholesalers, suppliers, distributors,
22 retailers, or any other person involved in the production, distribution, or marketing
23 of motor vehicle fuel to report information necessary to make a determination under
24 sub. (3) (a) or an assessment under sub. (4).

1 (c) If the department requires the reporting of information under par. (b) or sub.
2 (5) (a), the department shall require the reporting of information relating to the
3 feedstocks used to produce a renewable fuel sold in this state unless the department
4 determines that this information is not reasonably available.

5 (d) The department of revenue may collect information requested by the
6 department under par. (a) in the reports under s. 78.12 (1) to (3).

7 **(7)** DEPARTMENT OF COMMERCE AUTHORITY. (a) The department of commerce may
8 promulgate a rule designating a fuel that can substitute for petroleum–based diesel
9 fuel, that is derived from a renewable resource, and that meets all of the applicable
10 requirements of the American Society for Testing and Materials for that fuel as a
11 diesel–replacement renewable fuel for the purposes of this section.

12 (b) The department of commerce may promulgate a rule designating a fuel that
13 can substitute for gasoline, that is derived from a renewable resource, and that meets
14 all of the applicable requirements of the American Society for Testing and Materials
15 for that fuel as a gasoline–replacement renewable fuel for the purposes of this
16 section.

17 **(8)** PENALTIES. (a) Any person who violates a rule promulgated under sub. (5)
18 shall forfeit not more than $5,000 for each violation.

19 (b) Any person who fails to provide to the department information required
20 under sub.(6) (b) shall forfeit not more than $1,000 for each violation.

21 (c) Each violation of a rule promulgated under sub. (5) or a requirement to
22 provide information under sub. (6) (b) constitutes a separate offense, and each day
23 of continued violation is a separate offense.

24 (d) 1. In lieu of any other penalty under this subsection, the department may
25 directly assess a forfeiture by issuing an order against any person who violates a rule

1 promulgated under sub. (5) or a requirement to provide information under sub. (6)
2 (b). The department may not assess a forfeiture exceeding $5,000 for each violation.
3 2. The department shall promulgate rules specifying the procedures governing
4 the assessment of forfeitures under this paragraph including all of the following:
5 a. The procedure for issuing an order for an alleged violation.
6 b. The amount of a forfeiture that the department may assess for an alleged
7 violation, subject to the limit in subd. 1. and the considerations in par. (e).
8 c. The procedure for contesting an order issued for an alleged violation.
9 d. The procedure for contesting the assessment of a forfeiture for an alleged
10 violation.
11 3. The department shall remit all forfeitures paid under this paragraph to the
12 secretary of administration for deposit in the school fund.
13 4. All forfeitures that are not paid as required under this paragraph shall
14 accrue interest at the rate of 12 percent per year.
15 5. The attorney general may bring an action in the name of the state to collect
16 any forfeiture imposed, or interest accrued, under this paragraph if the forfeiture or
17 interest has not been paid after the exhaustion of all administrative and judicial
18 reviews.
19 (e) A court imposing a forfeiture under par. (a) or (b) or the department
20 imposing a forfeiture under par. (d) shall consider all of the following in determining
21 the amount of the forfeiture:
22 1. The appropriateness of the amount of the forfeiture considering the volume
23 of business of the person subject to the forfeiture.
24 2. The gravity of the violation.

3. Any good faith attempt to achieve compliance after the person receives notice of the violation.

SECTION 49. 168.05 (6) of the statutes is created to read:

168.05 **(6)** This section does not apply to a petroleum product that is a renewable fuel exempt under s. 78.01 (2n) from the tax under s. 78.01 (1) unless inspection is required by federal law.

SECTION 50. 168.12 (2) of the statutes is created to read:

168.12 **(2)** The fee under sub. (1) is not imposed on a petroleum product that is a renewable fuel exempt under s. 78.01 (2n) from the tax under s. 78.01 (1).

SECTION 51. 560.126 (1) of the statutes is renumbered 560.126 (1s), and 560.126 (1s) (d), as renumbered, is amended to read:

560.126 **(1s)** (d) The construction of one or more ~~cellulosic ethanol production plants~~ biorefineries.

SECTION 52. 560.126 (1d) of the statutes is created to read:

560.126 **(1d)** In this section, "biorefinery" has the meaning given in s. 16.956 (1) (bg).

SECTION 53. Nonstatutory provisions.

(1) BIOFUELS PRODUCTION FACILITY REGULATORY REVIEW.

(a) There is created a biofuels production facility regulatory review committee consisting of 9 members appointed by the governor.

(b) The biofuels production facility regulatory review committee shall identify state and local regulatory burdens relating to the siting, construction, operation, and expansion of facilities for the production of biofuels and shall identify opportunities for streamlining regulations related to these processes. The committee shall submit a report on its findings to the governor and the standing committees of the legislature

1 that oversee issues related to renewable energy no later than 2 years after the
2 effective date of this paragraph.

3 (c) The biofuels production facility regulatory review committee terminates
4 upon submission of the report under paragraph (b).

5 (d) The department of administration shall assist the biofuels production
6 facility regulatory review committee in the performance of its functions.

7 (2) BIOFUELS TRAINING ASSESSMENT.

8 (a) In this subsection:

9 1. "Extension" means the community outreach, public service, and extension
10 services of the system.

11 2. "Board" means the Board of Regents of the University of Wisconsin System.

12 3. "System" means the University of Wisconsin System.

13 (b) The extension, in cooperation with other programs in the system designated
14 by the board and with the department of workforce development, the office of energy
15 independence, and the technical college system board, shall assess educational
16 needs in this state related to the production of biofuels and educational needs in this
17 state related to the development and production of feedstocks for the production of
18 biofuels.

19 (c) The extension shall report the findings from its assessment under
20 paragraph (a) no later than the first day of the 18th month beginning after the
21 effective date of this paragraph to the governor and the standing committees of the
22 legislature that oversee issues related to renewable energy and agriculture under
23 section 13.172 (3) of the statutes.

24 **SECTION 54. Initial applicability.**

1 (1) The treatment of section 100.51 (6) of the statutes first applies to a motor
2 vehicle fuel dealership agreement created, renewed, extended, or modified on the
3 effective date of this subsection.

4 (2) The treatment of section 70.32 (2) (c) 1g., 1i., and 1k. of the statutes first
5 applies to the property tax assessments as of January 1, 2011.

6 (3) The treatment of sections 71.07 (5j) (a) 2d. and 2m. and (b), 71.28 (5j) (a) 2d.
7 and 2m. and (b), and 71.47 (5j) (a) 2d. and 2m. and (b) of the statutes first applies to
8 taxable years beginning on January 1 of the year in which this subsection takes
9 effect, except that if this subsection takes effect after July 31 this treatment first
10 applies to taxable years beginning on January 1 of the year following the year in
11 which this subsection takes effect.

12 **SECTION 55. Effective dates.** This act takes effect on the day after publication,
13 except as follows:

14 (1) The treatment of sections 73.03 (50) (intro.), 73.0303, 78.005 (13j), 78.01
15 (2n), 78.07 (5), 168.05 (6), and 168.12 (2) of the statutes takes effect on the first day
16 of the 3rd month beginning after publication.

17 **(END)**

Barman, Mike

From: Barman, Mike
Sent: Tuesday, August 25, 2009 3:26 PM
To: Aaron Gary; Becky Tradewell; Bruce Hoesly; Cathlene Hanaman; Christopher Sundberg; Debora Kennedy; Eric Mueller; Gordon Malaise; Jeffery Kuesel; Joseph Kreye; Marc Shovers; Mark Kunkel; Mary Gibson-Glass; Pam Kahler; Peggy Hurley; Peter Grant; Rick Champagne; Robert Nelson; Robin Kite; Robin Ryan; Steve Miller; Tamara Dodge; Tracy Kuczenski
Subject: LRB-3316/1 ... Leg. Council biofuel bill ... attached

Attachments: 09-3316/1

09-33161.pdf (109 KB)

Barman, Mike

From: Konopacki, Larry
Sent: Tuesday, August 25, 2009 3:37 PM
To: LRB.Legal
Subject: Draft Review: LRB 09-3316/1 Topic: Combined bill for biofuels committee

Please Jacket LRB 09-3316/1 for the ASSEMBLY.