



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 401
[2009 Senate Bill 279]

Domestic Biofuels

2009 Wisconsin Act 401 is the enactment of the legislative recommendations of the Joint Legislative Council's Special Committee on Domestic Biofuels, as amended by the Legislature.

Financial Assistance Related to Biofuels

The Act expands or clarifies the applicability of a number of state financial assistance programs as they relate to biofuels.

In particular, the Act 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 [s. 66.1103 (2) (k) 18., Stats.] and the recognition that other types of projects currently eligible for this financing, i.e., manufacturing or processing facilities for any products of agriculture or forestry, include biorefineries. [s. 66.1103 (2) (k) 1., Stats.]

The Act 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 Act repeals s. 93.46 (3), Stats., as the Department of Agriculture, Trade, and Consumer Protection (DATCP) no longer makes agricultural diversification grants under this subsection.

The Definition of "Agricultural Use" for Purposes of Use Value Taxation

The Act includes the growing of short rotation woody crops, including poplars and willows, using agronomic practices, as an agricultural purpose for determining the applicability of the use value property assessment method.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

Strategic Bioenergy Feedstock Assessment

The Act directs the Office of Energy Independence (OEI) and specified state agencies to prepare a strategic feedstocks assessment and recommend appropriate legislation and changes in the agencies' programs and rules.

Bioenergy Advisory Council, Voluntary Best Management Practices

The Act creates a bioenergy advisory council attached to DATCP and directs it to identify voluntary best management practices for sustainable biomass and biofuels production.

The Agricultural Diversification Program

The Act expands the agricultural diversification program administered by DATCP to include the promotion of carbon offset credits derived from the production of agricultural commodities, other types of energy made from these commodities, and alternative fuels made from agricultural source stocks, and creates a comparable forestry diversification program administered by the Department of Natural Resources (DNR).

Biofuels Training Assessment

The Act requires the University of Wisconsin-Extension, in cooperation with other state entities, to conduct an educational needs assessment related to biofuels.

Biofuels Production Facility Regulatory Review Committee

The Act creates a Biofuels Production Facility Regulatory Review Committee to review state and local regulatory burdens related to biofuels production facilities.

Marketing Orders and Agreements for Bioenergy Feedstocks

The Act designates products used as bioenergy feedstocks, including timber and wood products, as "agricultural commodities" and authorizes the DATCP Secretary to issue a marketing order or agreement to promote their use.

Personal Renewable Fuel Production and Use

The Act 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, petroleum inspection requirements not required by federal law, business tax registration certificate requirements, and motor vehicle fuel tax license requirements.

Income Tax Credit for Blender Pumps

The Act allows the "ethanol and biodiesel fuel pump" income tax credit under prior law to be claimed for the installation or retrofit of blender pumps. To help ensure that blender pumps are not used to improperly fuel motor vehicles, the Department of Commerce (Commerce) must establish standards to adequately prevent, in the distribution of conventional fuel to an end-user, the inadvertent distribution of fuel containing a higher percentage of renewable fuel than the maximum percentage established by the federal Environmental Protection Agency for use in conventionally-fueled engines.

