



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1123 (Substitute S-1 as reported)
Sponsor: Senator Gerald Van Woerkom
Committee: Agriculture

Date Completed: 5-28-08

RATIONALE

Biodiesel, a fuel created from animal or vegetable fats or oils, has become an increasingly popular alternative fuel. Biodiesel can be blended with petroleum diesel fuel and distributed through existing infrastructure. A common mixture, B20, consists of 20% biodiesel and 80% petroleum diesel, and can be used in existing diesel cars and trucks without any modification of the vehicles. The Motor Fuels Quality Act requires the Director of the Michigan Department of Agriculture to establish purity and quality standards for diesel fuel and gasoline sold in the State, but no such requirement exists for biodiesel. Consequently, it has been suggested that Michigan should begin the process of establishing quality and purity standards for B20, to increase public confidence and ensure consistency in this alternative fuel.

CONTENT

The bill would amend the Motor Fuels Quality Act to require the Director of the Department of Agriculture, by January 1, 2009, to make available for public comment proposed standards to ensure the purity and quality of diesel fuel that is biodiesel or biodiesel blend, including a blend designated as B20.

MCL 290.643

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

As B20 becomes more common in diesel pumps throughout the State, the lack of any standard for consistency and quality could undermine support for this alternative fuel in the early stages of its adoption. Under the bill, the Department of Agriculture would have to establish such standards, which could help to build public confidence in this alternative fuel. Reportedly, the American Society for Testing and Materials (ASTM) is planning to vote on proposed B20 standards in June 2008. Michigan's motor fuel quality standards generally are based on the ASTM standards to ensure that Michigan's standards are in line with those of other states.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Jessica Runnels

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.