

BILL ANALYSIS

Senate Research Center

S.B. 1658
By: Carona
Natural Resources
4/7/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The current Texas diesel fuel standard, Texas Low Emission Diesel (TX LED), prevents biodiesel blends from being sold east of Interstate-35 in Texas, in spite of their significant environmental and national security benefits. The domestic market for biodiesel is expected to increase from 30 to 125 million gallons per year in the next few years. Texas has the geography and agricultural resources to potentially become the country's leading producer, so it is beneficial to ensure that the product can be sold in this state.

As proposed, S.B. 1658 enables biofuels (biodiesel and ethanol-diesel blends) to be legally blended in diesel in volumes of up to 20 percent. The bill declares biodiesel blends to be compliant with TX LED standards through this bill, which would otherwise require millions in fuel testing costs and the use of expensive fuel additives.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 382.0171, Health and Safety Code, to require diesel fuel, otherwise compliant with state rules and standards, to be considered to remain compliant with Texas Commission of Environmental Quality rules and standards (regarding the use of fuels to reduce emissions).

SECTION 2. Effective date: July 1, 2005.