

**As Reported by the Senate Ways and Means and Economic
Development Committee**

126th General Assembly

Regular Session

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Sub. H. B. No. 245

**Representatives Reinhard, Aslanides, Barrett, Buehrer, Core, Faber, Hagan,
Hughes, Kearns, Latta, McGregor, Schlichter, Seaver, Seitz, Setzer, Ujvagi,
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Cassell, Chandler, Collier, Combs, Daniels, DeBose, DeGeeter, Distel, Dolan,
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Harwood, Healy, Martin, Mason, Miller, Oelslager, Otterman, Patton, S.,
Patton, T., Peterson, Raussen, Reidelbach, Schaffer, Schneider, Skindell,
Smith, G., Stewart, D., Stewart, J., Taylor, Trakas, Wagoner, White, Widener,
Williams, Wolpert, Yates, Yuko**

Senators Schuler, Spada, Roberts, Fingerhut, Zurz, Dann, Amstutz

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A B I L L

To amend sections 122.075, 125.831, 125.832, and	1
4511.101, to enact sections 122.861, 125.834,	2
125.836, 125.837, 125.838, and 5735.40 of the	3
Revised Code and to amend Section 203.99.45 of Am.	4
Sub. H.B. 66 of the 126th General Assembly and to	5
amend Section 203.99 of Am. Sub. H.B. 66 of the	6
126th General Assembly as amended by Am. Sub. S.B.	7
236 of the 126th General Assembly to create diesel	8
emissions reduction grant and revolving loan	9
programs, to revise the alternative fuel	10
transportation grant program, to establish certain	11
requirements related to the use of alternative	12
fuels, and to make an appropriation.	13

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 122.075, 125.831, 125.832, and 14
4511.101 be amended and sections 122.861, 125.834, 125.836, 15
125.837, 125.838, and 5735.40 of the Revised Code be enacted to 16
read as follows: 17

Sec. 122.075. (A) As used in this section: 18

(1) "Alternative fuel" means blended biodiesel or blended 19
gasoline. 20

(2) "Biodiesel" means a mono-alkyl ester combustible liquid 21
fuel that is derived from vegetable oils or animal fats, or any 22
combination of those reagents, and that meets American society for 23
testing and materials specification D6751-03a for biodiesel fuel 24
(B100) blend stock distillate fuels. 25

(3) "Diesel fuel" and "gasoline" have the same meanings as in 26
section 5735.01 of the Revised Code. 27

(4) "Ethanol" has the same meaning as in section 5733.46 of 28
the Revised Code. 29

(5) "Blended biodiesel" means diesel fuel containing at least 30
twenty per cent biodiesel by volume. 31

(6) "Blended gasoline" means gasoline containing at least 32
eighty-five per cent ethanol by volume. 33

(7) "Incremental cost" means either of the following: 34

(a) The difference in cost between blended gasoline and 35
gasoline containing ten per cent or less ethanol at the time that 36
the blended gasoline is purchased; 37

(b) The difference in cost between blended biodiesel and 38
diesel fuel containing two per cent or less biodiesel at the time 39

that the blended biodiesel is purchased.

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(B) For the purpose of improving the air quality in this state, the director of development shall establish an alternative fuel transportation grant program under which the director may make grants to businesses, nonprofit organizations, public school systems, or local governments for the purchase and installation of alternative fuel refueling or distribution facilities and terminals, for the purchase and use of alternative fuel, and to pay the costs of educational and promotional materials and activities intended for prospective alternative fuel consumers, fuel marketers, and others in order to increase the availability and use of alternative fuel.

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(C) The director, in consultation with the director of agriculture, shall adopt rules in accordance with Chapter 119. of the Revised Code that are necessary for the administration of the alternative fuel transportation grant program. The rules shall establish at least all of the following:

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(1) An application form and procedures governing the application process for a grant under the program;

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(2) A procedure for prioritizing the award of grants under the program. The procedures shall give preference to all of the following:

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(a) Publicly accessible refueling facilities;

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(b) Entities seeking grants that have secured funding from other sources, including, but not limited to, private or federal grants;

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(c) Entities that have presented compelling evidence of demand in the market in which the facilities or terminals will be located;

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(d) Entities that have committed to utilizing purchased or

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installed facilities or terminals for the greatest number of 70
years; 71

(e) Entities that will be purchasing or installing facilities 72
or terminals for both blended biodiesel and blended gasoline. 73

(3) A requirement that the maximum grant for the purchase and 74
installation of an alternative fuel refueling or distribution 75
facility or terminal be ~~no more than fifty~~ eighty per cent of the 76
cost of the facility or terminal, except that at least twenty per 77
cent of the total net cost of the facility or terminal shall be 78
incurred by the grant recipient and not compensated for by any 79
other source; 80

(4) A requirement that the maximum grant for the purchase of 81
alternative fuel be ~~no more than fifty~~ eighty per cent of the 82
incremental cost of the fuel; 83

(5) Any other criteria, procedures, or guidelines that the 84
director determines are necessary to administer the program. 85

(D) An applicant for a grant under this section that sells 86
motor vehicle fuel at retail shall agree that if the applicant 87
receives a grant, the applicant will report to the director the 88
gallon amounts of blended gasoline and blended biodiesel the 89
applicant sells at retail in this state for a period of three 90
years after the grant is awarded. 91

The director shall enter into a written confidentiality 92
agreement with the applicant regarding the gallon amounts sold as 93
described in this division, and upon execution of the agreement 94
this information is not a public record. 95

(E) There is hereby created in the state treasury the 96
alternative fuel transportation grant fund. The fund shall consist 97
of money transferred to the fund under division (C) of section 98
125.836 of the Revised Code, money that is appropriated to it by 99

the general assembly, and money as may be specified by the general 100
assembly from the energy efficiency revolving loan fund created by 101
section 4928.61 of the Revised Code. Money in the fund shall be 102
used to make grants under the alternative fuel transportation 103
grant program and by the director in the administration of that 104
program. 105

Sec. 122.861. (A) As used in this section: 106

(1) "Certified engine configuration" means a new, rebuilt, or 107
remanufactured engine configuration that satisfies divisions 108
(A)(1)(a) and (b) and, if applicable, division (A)(1)(c) of this 109
section: 110

(a) It has been certified by the administrator of the United 111
States environmental protection agency or the California air 112
resources board. 113

(b) It meets or is rebuilt or remanufactured to a more 114
stringent set of engine emission standards than when originally 115
manufactured, as determined pursuant to Subtitle G of Title VII of 116
the Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 838, 117
et seq. 118

(c) In the case of a certified engine configuration involving 119
the replacement of an existing engine, an engine configuration 120
that replaced an engine that was removed from the vehicle and 121
returned to the supplier for remanufacturing to a more stringent 122
set of engine emissions standards or for scrappage. 123

(2) "Section 793" means section 793 of the Energy Policy Act 124
of 2005, Pub. L. No. 109-58, 119 Stat. 841, et seq. 125

(3) "Verified technology" means a pollution control 126
technology, including a retrofit technology, advanced truckstop 127
electrification system, or auxiliary power unit, that has been 128
verified by the administrator of the United States environmental 129

protection agency or the California air resources board. 130

(B) For the purpose of reducing emissions from diesel engines, the department of development shall administer a diesel emissions reduction grant program and a diesel emissions reduction revolving loan program. The programs shall provide for the implementation in this state of section 793 and shall otherwise be administered in compliance with the requirements of section 793, and any regulations issued pursuant to that section. 131
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The director of development shall apply to the administrator of the United States environmental protection agency for grant or loan funds available under section 793 to help fund the diesel emissions reduction grant program and the diesel emissions reduction revolving loan program. Upon the request of the director of development, the director of environmental protection shall assist the director of development to the extent necessary to develop diesel emission reduction plans, goals, or methods, including the role of certified engine configurations and verified technologies, and to prepare the application for federal grants or loans available under section 793. 138
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(C) There is hereby created in the state treasury the diesel emissions grant fund consisting of money appropriated to it by the general assembly, any grants obtained from the federal government under section 793, and any other grants, gifts, or other contributions of money made to the credit of the fund. Money in the fund shall be used for the purpose of making grants for projects relating to certified engine configurations and verified technologies in a manner consistent with the requirements of section 793 and any regulations issued under that section. Interest earned from moneys in the fund shall be used to administer the diesel emissions reduction grant program. 149
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(D) There is hereby created in the state treasury the diesel 160

emissions reduction revolving loan fund consisting of money 161
appropriated to it by the general assembly, any grants obtained 162
from the federal government under section 793, and any other 163
grants, gifts, or other contributions of money made to the credit 164
of the fund. Money in the fund shall be used for the purpose of 165
making loans for projects relating to certified engine 166
configurations and verified technologies in a manner consistent 167
with the requirements of section 793 and any regulations issued 168
pursuant to that section. Interest earned from moneys in the fund 169
shall be used to administer the diesel emissions reduction 170
revolving loan program. 171

Sec. 125.831. As used in sections 125.831 to ~~125.833~~ 125.834 172
of the Revised Code: 173

(A) "Alternative fuel" means any of the following fuels used 174
in a motor vehicle: 175

(1) E85 blend fuel; 176

(2) Blended biodiesel; 177

(3) Natural gas; 178

(4) Liquefied petroleum gas; 179

(5) Hydrogen; 180

(6) Any power source, including electricity; 181

(7) Any fuel not described in divisions (A)(1) to (6) of this 182
section that the United States department of energy determines, by 183
final rule, to be substantially not petroleum, and that would 184
yield substantial energy security and environmental benefits. 185

(B) "Biodiesel" means a mono-alkyl ester combustible liquid 186
fuel that is derived from vegetable oils or animal fats, or any 187
combination of those reagents that meets the American society for 188
testing and materials specification for biodiesel fuel (B100) 189

blend stock distillate fuels and any other standards that the 190
director of administrative services adopts by rule. 191

(C) "Blended biodiesel" means a blend of biodiesel with 192
petroleum based diesel fuel in which the resultant product 193
contains not less than twenty per cent biodiesel that meets the 194
American society for testing and materials specification for 195
blended diesel fuel and any other standards that the director of 196
administrative services adopts by rule. 197

(D) "Diesel fuel" means any liquid fuel that is capable of 198
use in discrete form or as a blend component in the operation of 199
engines of the diesel type. 200

(E) "E85 blend fuel" means fuel containing eighty-five per 201
cent or more ethanol as defined in section 5733.46 of the Revised 202
Code or containing any other percentage of not less than seventy 203
per cent ethanol if the United States department of energy 204
determines, by rule, that the lower percentage is necessary to 205
provide for the requirements of cold start, safety, or vehicle 206
functions, and that meets the American society for testing and 207
materials specification for E85 blend fuel and any other standards 208
that the director of administrative services adopts by rule. 209

(F) "Law enforcement officer" means an officer, agent, or 210
employee of a state agency upon whom, by statute, a duty to 211
conserve the peace or to enforce all or certain laws is imposed 212
and the authority to arrest violators is conferred, within the 213
limits of that statutory duty and authority, but does not include 214
such an officer, agent, or employee if that duty and authority is 215
location specific. 216

~~(B)~~(G)(1) "Motor vehicle" means any automobile, car minivan, 217
cargo van, passenger van, sport utility vehicle, or pickup truck 218
with a gross vehicle weight of under twelve thousand pounds. 219

(2) "Motor vehicle" does not include, except for the purposes 220

of division (C) of section 125.832 of the Revised Code, any 221
vehicle described in division ~~(B)~~(G)(1) of this section that is 222
used by a law enforcement officer and law enforcement agency or 223
any vehicle that is so described and that is equipped with 224
specialized equipment that is not normally found in such a vehicle 225
and that is used to carry out a state agency's specific and 226
specialized duties and responsibilities. 227

~~(C)~~(H) "Specialized equipment" does not include standard 228
mobile radios with no capabilities other than voice communication, 229
exterior and interior lights, or roof-mounted caution lights. 230

~~(D)~~(I) "State agency" means every organized body, office, 231
board, authority, commission, or agency established by the laws of 232
the state for the exercise of any governmental or 233
quasi-governmental function of state government regardless of the 234
funding source for that entity, other than any state institution 235
of higher education, the office of the governor, lieutenant 236
governor, auditor of state, treasurer of state, secretary of 237
state, or attorney general, the general assembly or any 238
legislative agency, the courts or any judicial agency, or any 239
state retirement system or retirement program established by or 240
referenced in the Revised Code. 241

~~(E)~~(J) "State institution of higher education" has the same 242
meaning as in section 3345.011 of the Revised Code. 243

Sec. 125.832. (A) The department of administrative services 244
is granted exclusive authority over the acquisition and management 245
of all motor vehicles used by state agencies. In carrying out this 246
authority, the department shall do both of the following: 247

(1) Approve the purchase or lease of each motor vehicle for 248
use by a state agency. The department shall decide if a motor 249
vehicle shall be leased or purchased for that use. 250

Except as otherwise provided in division (A)(1) of this 251
section, on and after July 1, 2005, each state agency shall 252
acquire all passenger motor vehicles under the department's master 253
leasing program. If the department determines that acquisition 254
under that program is not the most economical method and if the 255
department and the state agency acquiring the passenger motor 256
vehicle can provide economic justification for doing so, the 257
department may approve the purchase, rather than the lease, of a 258
passenger motor vehicle for the acquiring state agency. 259

(2) Direct and approve all funds that are expended for the 260
purchase, lease, repair, maintenance, registration, insuring, and 261
other costs related to the possession and operation of motor 262
vehicles for the use of state agencies. 263

(B) The director of administrative services shall establish 264
and operate a fleet management program. The director shall operate 265
the program for purposes including, but not limited to, 266
cost-effective acquisition, maintenance, management, analysis, and 267
disposal of all motor vehicles owned or leased by the state. All 268
state agencies shall comply with statewide fleet management 269
policies and procedures established by the director for the 270
program, including, but not limited to, motor vehicle assignments, 271
additions of motor vehicles to fleets or motor vehicle 272
replacements, motor vehicle fueling, and motor vehicle repairs. 273

(C) The director shall establish and maintain a fleet 274
reporting system and shall require state agencies to submit to the 275
department information relative to state motor vehicles, including 276
motor vehicles described in division ~~(B)~~(G)(2) of section 125.831 277
of the Revised Code, to be used in operating the fleet management 278
program. State agencies shall provide to the department fleet data 279
and other information, including, but not limited to, mileage and 280
costs. The data and other information shall be submitted in 281
formats and in a manner determined by the department. 282

(D) All state agency purchases or leases of motor vehicles 283
are subject to the prior approval of the director under division 284
(A)(1) of this section. 285

(E) State agencies that utilize state motor vehicles or pay 286
mileage reimbursements to employees shall provide a fleet plan to 287
the department as directed by the department. 288

(F)(1) The fleets of state agencies that consist of one 289
hundred or less vehicles on July 1, 2004, shall be managed by the 290
department's fleet management program on a time schedule 291
determined by the department, unless the state agency has received 292
delegated authority as described in division (G) of this section. 293

(2) The fleets of state agencies that consist of greater than 294
one hundred motor vehicles, but less than five hundred motor 295
vehicles, on July 1, 2005, also shall be managed by the 296
department's fleet management program on a time schedule 297
determined by the department, unless the state agency has received 298
delegated authority as described in division (G) of this section. 299

(G)(1) The department may delegate any or all of its duties 300
regarding fleet management to a state agency, if the state agency 301
demonstrates to the satisfaction of the department both of the 302
following: 303

(a) Capabilities to institute and manage a fleet management 304
program, including, but not limited to, the presence of a 305
certified fleet manager; 306

(b) Fleet management performance, as demonstrated by fleet 307
data and other information submitted pursuant to annual reporting 308
requirements and any other criteria the department considers 309
necessary in evaluating the performance. 310

(2) The department may determine that a state agency is not 311
in compliance with this section and direct that the agency's fleet 312

management duties be transferred to the department. 313

(H) The proceeds derived from the disposition of any motor 314
vehicles under this section shall be paid to whichever of the 315
following applies: 316

(1) The fund that originally provided moneys for the purchase 317
or lease of the motor vehicles; 318

(2) If the motor vehicles were originally purchased with 319
moneys derived from the general revenue fund, the proceeds shall 320
be deposited, in the director's discretion, into the state 321
treasury to the credit of either the fleet management fund created 322
by section 125.83 of the Revised Code or the investment recovery 323
fund created by section 125.14 of the Revised Code. 324

(I)(1) The department shall create and maintain a certified 325
fleet manager program. 326

(2) State agencies that have received delegated authority as 327
described in division (G) of this section shall have a certified 328
fleet manager. 329

(J) The department annually shall prepare and submit a 330
statewide fleet report to the governor, the speaker of the house 331
of representatives, and the president of the senate. The report 332
shall be submitted not later than the thirty-first day of January 333
following the end of each fiscal year. It may include, but is not 334
limited to, the numbers and types of motor vehicles, their 335
mileage, miles per gallon, and cost per mile, mileage 336
reimbursements, accident and insurance data, and information 337
regarding compliance by state agencies having delegated authority 338
under division (G) of this section with applicable fleet 339
management requirements. 340

(K) The director shall adopt rules for implementing the fleet 341
management program that are consistent with recognized best 342

practices. The program shall be supported by reasonable fee 343
charges for the services provided. The director shall collect 344
these fees and deposit them into the state treasury to the credit 345
for the fleet management fund created by section 125.83 of the 346
Revised Code. The setting and collection of fees under this 347
division is not subject to any restriction imposed by law upon the 348
director's or the department's authority to set or collect fees. 349

(L) The director also shall adopt rules that prohibit, except 350
in very limited circumstances, the exclusive assignment of 351
state-owned, leased, or pooled motor vehicles to state employees 352
and that prohibit the reimbursement under section 126.31 of the 353
Revised Code of state employees who use their own motor vehicles 354
for any mileage they incur above an amount that the department 355
shall determine annually unless reimbursement for the excess 356
mileage is approved by the department in accordance with standards 357
for that approval the director shall establish in those rules. 358
Beginning on September 26, 2003, no state-owned, leased, or pooled 359
motor vehicle shall be personally assigned as any form of 360
compensation or benefit of state employment, and no state-owned, 361
leased, or pooled motor vehicle shall be assigned to an employee 362
solely for commuting to and from home and work. 363

(M) The director shall do both of the following: 364

(1) Implement to the greatest extent possible the 365
recommendations from the 2002 report entitled "Administrative 366
Analysis of the Ohio Fleet Management Program" in connection with 367
the authority granted to the department by this section; 368

(2) Attempt to reduce the number of passenger vehicles used 369
by state agencies during the fiscal years ending on June 30, 2004, 370
and June 30, 2005. 371

(N) Each state agency shall reimburse the department for all 372
costs incurred in the assignment of motor vehicles to the state 373

agency. 374

(0) The director shall do all of the following in managing 375
the fleet management program: 376

(1) Determine how motor vehicles will be maintained, insured, 377
operated, financed, and licensed; 378

(2) Pursuant to the formula in division (0)(3) of this 379
section, annually establish the minimum number of business miles 380
per year an employee of a state agency must drive in order to 381
qualify for approval by the department to receive a motor vehicle 382
for business use; 383

(3) Establish the minimum number of business miles per year 384
at an amount that results when the annual motor vehicle cost is 385
divided by the amount that is the reimbursement rate per mile 386
minus the amount that is the sum of the fuel cost, the operating 387
cost, and the insurance cost. As used in this division: 388

(a) "Annual motor vehicle cost" means the price of a motor 389
vehicle divided by the number of years an average motor vehicle is 390
used. 391

(b) "Fuel cost" means the average price per gallon of motor 392
fuel divided by the miles per gallon fuel efficiency of a motor 393
vehicle. 394

(c) "Insurance cost" means the cost of insuring a motor 395
vehicle per year divided by the number of miles an average motor 396
vehicle is driven per year. 397

(d) "Operating cost" means the maintenance cost of a motor 398
vehicle per year divided by the product resulting when the number 399
of miles an average motor vehicle is driven per year is multiplied 400
by the number of years an average motor vehicle is used. 401

(e) "Reimbursement rate per mile" means the reimbursement per 402
mile rate for travel expenses as provided by rule of the director 403

of budget and management adopted under division (B) of section 404
126.31 of the Revised Code. 405

(P)(1) Not later than the fifteenth day of September of each 406
year, each state institution of higher education shall report to 407
the department on all of the following topics relating to motor 408
vehicles that the institution acquires and manages: 409

(a) The methods it uses to track the motor vehicles; 410

(b) Whether or not it uses a fuel card program to purchase 411
fuel for, or to pay for the maintenance of, the motor vehicles; 412

(c) Whether or not it makes bulk purchases of fuel for the 413
motor vehicles. 414

(2) Assuming it does not use the fleet management tracking, 415
fuel card program, and bulk fuel purchases tools and services that 416
the department provides, the report of a state institution of 417
higher education required by division (P)(1) of this section also 418
shall include both of the following: 419

(a) An analysis of the amount the institution would save, if 420
any, if it were to use the fleet management tracking, fuel card 421
program, and bulk fuel purchases tools and services that the 422
department provides instead of the fleet management system the 423
institution regularly uses; 424

(b) A rationale for either continuing with the fleet 425
management system that the institution regularly uses or changing 426
to the use of those tools and services that the department 427
provides. 428

(3) The department shall certify within ninety days after 429
receipt of all reports under division (P)(1) of this section a 430
list of those state institutions of higher education that the 431
department determines would save amounts if they were to use the 432
fleet management tracking, fuel card program, and bulk fuel 433

purchases tools and services that the department provides. The 434
institutions so certified then shall use those tools and services 435
that the department provides until the department next certifies 436
institutions under division (P)(3) of this section. 437

Sec. 125.834. (A) The department of administrative services 438
shall ensure that all new motor vehicles acquired on and after 439
July 1, 2006, by the state for use by state agencies under section 440
125.832 of the Revised Code are capable of using alternative 441
fuels. A state agency that is acquiring new motor vehicles under 442
division (G)(1) of section 125.832 of the Revised Code shall 443
report annually, in a manner prescribed by the director of 444
administrative services, the number of new motor vehicles acquired 445
by the state agency and the number of those motor vehicles that 446
are capable of using alternative fuel. 447

(B) The department shall not purchase or lease, or authorize 448
the purchase or lease by a state agency of, any motor vehicles 449
that are incapable of using alternative fuels, unless one or more 450
of the following apply: 451

(a) The department or state agency is unable to acquire or 452
operate motor vehicles within the cost limitations described in 453
rules adopted under division (D) of this section. 454

(b) The use of alternative fuels would not meet the energy 455
conservation and exhaust emissions criteria described in rules 456
adopted under division (D) of this section. 457

(c) An emergency exists or exigent circumstances exist, as 458
determined by the department of administrative services. 459

(C) Not later than ninety days after the effective date of 460
this section, all motor vehicles owned or leased by the state that 461
are capable of using an alternative fuel shall use an alternative 462
fuel if the fuel is reasonably available at a reasonable price. 463

Subject to division (D) of this section, motor vehicles owned or 464
leased by the state shall use at least sixty thousand gallons of 465
E85 blend fuel per calendar year by January 1, 2007, with an 466
increase of five thousand gallons per calendar year each calendar 467
year thereafter, and at least one million gallons of biodiesel per 468
calendar year by January 1, 2007, with an increase of one hundred 469
thousand gallons per calendar year each calendar year thereafter. 470
The director of administrative services, under Chapter 119. of the 471
Revised Code, shall adopt rules to implement the fuel use 472
requirement of this division, and the directors and heads of all 473
state departments and agencies shall issue a directive to all 474
state employees who use state motor vehicles informing them of the 475
fuel use requirement. The directive shall instruct state employees 476
to purchase alternative fuels at retail fuel facilities whenever 477
possible. 478

As used in this division, "motor vehicle" has the same 479
meaning as in section 125.831 of the Revised Code and also 480
includes all on-road and off-road vehicles powered by diesel fuel, 481
regardless of gross vehicle weight. 482

(D) The director of administrative services shall adopt and 483
may amend, under Chapter 119. of the Revised Code, rules that 484
include both of the following: 485

(1) Requirements for state agencies in the procurement of 486
alternative fuels and motor vehicles capable of using alternative 487
fuels, and cost limitations for the acquisition and operation of 488
such vehicles; 489

(2) Energy conservation and exhaust emissions criteria for 490
motor vehicles capable of using alternative fuels. 491

Sec. 125.836. (A) As used in this section: 492

(1) "Biodiesel," "blended biodiesel," and "diesel fuel" have 493

the same meanings as in section 125.831 of the Revised Code.

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(2) "Credit" means a credit generated by the acquisition of
alternative fueled vehicles in accordance with the "Energy Policy
Act of 1992," 106 Stat. 2897, 42 U.S.C. 13257.

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(3) "Incremental cost" means the difference in cost between
blended biodiesel and conventional petroleum-based diesel fuel at
the time the blended biodiesel is purchased.

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(B) The department of administrative services shall establish
and administer a credit banking and selling program. The
department may sell or trade credits in accordance with procedures
established pursuant to the "Energy Policy Act of 1992," 106 Stat.
2897, 42 U.S.C. 13258.

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(C) There is hereby created in the state treasury the
"biodiesel revolving fund," to which shall be credited moneys
received from the sale of credits under this section, any moneys
appropriated to the fund by the general assembly, and any other
moneys obtained or accepted by the department for crediting to the
fund. Moneys credited to the fund shall be used to pay for the
incremental cost of biodiesel for use in vehicles owned or leased
by the state that use diesel fuel. The director of administrative
services, after consultation with the director of development, may
direct the director of budget and management to transfer available
moneys in the biodiesel revolving fund to the alternative fuel
transportation grant fund created in section 122.075 of the
Revised Code to be used by the department of development for the
purposes specified in that section.

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(D) The director of administrative services shall adopt rules
under Chapter 119. of the Revised Code that are necessary for the
administration of the credit banking and selling program.

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Sec. 125.837. The director of administrative services shall

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designate an employee within the department of administrative 524
services as the state alternative fuel resource officer. The 525
officer shall monitor federal activity for any federal action that 526
affects this state in its use of motor vehicles that are capable 527
of using an alternative fuel. In addition, the officer shall be 528
available to all state departments and agencies to explain the 529
laws that apply to the purchase of motor vehicles that are capable 530
of using an alternative fuel, the laws governing alternative 531
fuels, and any other relevant issues that relate to motor vehicles 532
that are capable of using an alternative fuel, such as the 533
locations of motor vehicle fueling facilities that sell 534
alternative fuels. 535

If time and resources permit, the state alternative fuel 536
resource officer may assist political subdivisions with any 537
questions or issues relating to alternative fuels and to motor 538
vehicles that are capable of using an alternative fuel. 539

Sec. 125.838. (A) The department of administrative services 540
shall compile on a quarterly basis all data relating to the 541
purchase by each state department and agency of alternative fuels, 542
including the amounts of alternative fuels and conventional fuels 543
purchased, the per-gallon prices paid for each fuel, and the 544
locations at which alternative fuels were purchased and the fuel 545
amounts purchased at each such location. 546

(B) Not later than the first day of April of each year, the 547
department shall prepare a report containing all the data for the 548
preceding calendar year described in division (A) of this section. 549
The report also shall list the number and types of motor vehicles 550
each state department and agency owns or leases that are capable 551
of using an alternative fuel and the locations at which these 552
motor vehicles are routinely parked. The department shall submit a 553

copy of the report to the governor, to the speaker and minority 554
leader of the house of representatives, and to the president and 555
minority leader of the senate. 556

Sec. 4511.101. (A) The director of transportation, in 557
accordance with 23 U.S.C.A. 109(d), 131(f), and 315, as amended, 558
shall establish a program for the placement of business logos for 559
identification purposes on state directional signs within the 560
rights-of-way of divided, multi-lane, limited access highways in 561
both rural and urban areas. 562

(B) All direct and indirect costs of the business logo sign 563
program established pursuant to this section shall be fully paid 564
by the businesses applying for participation in the program. At 565
any interchange where a business logo sign is erected, such costs 566
shall be divided equally among the participating businesses. The 567
direct and indirect costs of the program shall include, but not be 568
limited to, the cost of capital, directional signs, blanks, posts, 569
logos, installation, repair, engineering, design, insurance, 570
removal, replacement, and administration. Nothing in this chapter 571
shall be construed to prohibit the director from establishing such 572
a program. 573

(C) The director, in accordance with rules adopted pursuant 574
to Chapter 119. of the Revised Code, may contract with any private 575
person to operate, maintain, and market the business logo sign 576
program. The rules shall describe the terms of the contract, and 577
shall allow for a reasonable profit to be earned by the successful 578
applicant. In awarding the contract, the director shall consider 579
the skill, expertise, prior experience, and other qualifications 580
of each applicant. 581

(D) As used in this section, "urban area" means an area 582
having a population of fifty thousand or more according to the 583
most recent federal census and designated as such on urban maps 584

prepared by the department.

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(E) Neither the department nor the director shall do either
of the following:

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(1) Limit the right of any person to erect, maintain, repair,
remove, or utilize any off-premises or on-premises advertising
device;

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(2) Make participation in the business logo sign program
conditional upon a business agreeing to limit, discontinue,
withdraw, modify, alter, or change any advertising or sign.

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(F) The program shall permit the business logo signs of a
seller of motor vehicle fuel to include on the seller's signs a
marking or symbol indicating that the seller sells one or more
types of alternative fuel so long as the seller in fact sells that
fuel.

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As used in this division, "alternative fuel" has the same
meaning as in section 125.831 of the Revised Code.

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Sec. 5735.40. (A) As used in this section:

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(1) "Alternative fuel" has the same meaning as in section
125.831 of the Revised Code.

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(2) "Political subdivision" means a county, township,
municipal corporation, school district, or other body corporate
and politic responsible for governmental activities in a
geographic area smaller than that of the state.

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(B) Except as provided in division (B)(6) of section 5739.02
of the Revised Code when levying the tax imposed by that section
in conjunction with sections 5739.021, 5739.023, 5739.026,
5741.021, 5741.022, and 5741.023 of the Revised Code, or as
provided in section 5739.101 of the Revised Code, no political
subdivision shall levy or collect any excise, license, privilege,

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or occupational tax on alternative fuel or on the buying, selling, 614
handling, or consuming of alternative fuel. 615

Section 2. That existing sections 122.075, 125.831, 125.832, 616
and 4511.01 of the Revised Code are hereby repealed. 617

Section 3. That Section 203.99.45 of Am. Sub. H.B. 66 of the 618
126th General Assembly be amended to read as follows: 619

Sec. 203.99.45. ECONOMIC DEVELOPMENT FINANCING OPERATING 620

The foregoing appropriation item 195-625, Economic 621
Development Financing Operating, shall be used for the operating 622
expenses of financial assistance programs authorized under Chapter 623
166. of the Revised Code and under sections 122.43 and 122.45 of 624
the Revised Code. 625

VOLUME CAP ADMINISTRATION 626

The foregoing appropriation item 195-654, Volume Cap 627
Administration, shall be used for expenses related to the 628
administration of the Volume Cap Program. Revenues received by the 629
Volume Cap Administration Fund (Fund 617) shall consist of 630
application fees, forfeited deposits, and interest earned from the 631
custodial account held by the Treasurer of State. 632

UNIVERSAL SERVICE FUND 633

The foregoing appropriation item 195-659, Universal Service, 634
shall be used to provide payments to regulated electric utility 635
companies for low-income customers enrolled in Percentage of 636
Income Payment Plan (PIPP) electric accounts, to fund targeted 637
energy efficiency and customer education services to PIPP 638
customers, and to cover the department's administrative costs 639
related to Universal Service Fund Programs. 640

SHOVEL READY SITES 641

The foregoing appropriation item 195-678, Shovel Ready Sites, 642
shall be used to administer the Shovel Ready Sites Program under 643
section 122.083 of the Revised Code. 644

ALTERNATIVE FUEL TRANSPORTATION 645

The foregoing appropriation item 195-679, Alternative Fuel 646
Transportation, shall be used by the Director of Development to 647
make grants under the Alternative Fuel Transportation Grant Fund 648
Program in accordance with section 122.075 of the Revised Code, 649
and for administrative costs associated with the program. 650

TRANSFER OF UNCLAIMED FUNDS TO THE DEFENSE CONVERSION 651
ASSISTANCE FUND FOR BASE REALIGNMENT AND CLOSURE GRANTS 652

(A) There is hereby created in the State Treasury the Defense 653
Conversion Assistance Fund (Fund 5CV). The fund shall consist of 654
all cash deposited to it pursuant to division (C) of this section. 655

(B) The foregoing appropriation item 195-680, Defense 656
Conversion Assistance, shall be used by the Director of 657
Development to provide grants to local communities for costs 658
associated with the preparation and redevelopment of military 659
installations in Ohio that are slated for realignment or closure 660
under the United States Department of Defense Base Realignment and 661
Closure Program. 662

(C) Notwithstanding division (A) of section 169.05 of the 663
Revised Code, upon the request of the Director of Budget and 664
Management, the Director of Commerce, prior to June 30, 2006, 665
shall transfer to the Defense Conversion Assistance Fund (Fund 666
5CV) \$1,000,000 of the unclaimed funds that have been reported by 667
the holders of unclaimed funds under section 169.05 of the Revised 668
Code regardless of the allocation of the unclaimed funds described 669
in that section. 670

(D) On or before June 30, 2006, the unencumbered balance of 671

the foregoing appropriation item 195-680, Defense Conversion Assistance, for fiscal year 2006 is hereby appropriated for the same purpose for fiscal year 2007.

LUNG CANCER AND LUNG DISEASE RESEARCH

The foregoing appropriation item 195-682, Lung Cancer and Lung Disease Research, shall be used by the Director of Development to promote lung cancer and lung disease research.

ENERGY EFFICIENCY REVOLVING LOAN FUND

The foregoing appropriation item 195-660, Energy Efficiency Loan and Grant, shall be used to provide financial assistance to customers for eligible energy efficiency projects for residential, commercial and industrial business, local government, educational institution, nonprofit, and agriculture customers, and to pay for the program's administrative costs as provided in the Revised Code and rules adopted by the Director of Development.

TRANSFER FROM THE ENERGY EFFICIENCY REVOLVING LOAN FUND TO THE INDUSTRIAL SITE IMPROVEMENTS FUND

Notwithstanding Chapters 122. and 4928. of the Revised Code and any other law to the contrary, the Director of Budget and Management shall transfer \$2,500,000 in cash in fiscal year 2006 and \$2,500,000 in cash in fiscal year 2007 from the Energy Efficiency Revolving Loan Fund (Fund 5M5) to the Industrial Site Improvements Fund (Fund 5AR).

Moneys in Fund 5AR, Industrial Site Improvements, shall be used by the Director of Development to make grants to eligible counties for the improvement of commercial or industrial areas within those counties under section 122.951 of the Revised Code.

TRANSFER FROM THE ENERGY EFFICIENCY REVOLVING LOAN FUND TO THE RAIL TRANSLOAD FACILITIES FUND

Notwithstanding Chapters 122. and 4928. of the Revised Code

and any other law to the contrary, the Director of Budget and Management shall transfer \$500,000 in cash in fiscal year 2006 from the Energy Efficiency Revolving Loan Fund (Fund 5M5) in the Department of Development to the Rail Transload Facilities Fund (Fund 5CF) in the Department of Transportation.

TRANSFER FROM THE ENERGY EFFICIENCY REVOLVING LOAN FUND TO THE ALTERNATIVE FUEL TRANSPORTATION GRANT FUND

Notwithstanding Chapter 4928. of the Revised Code and any other law to the contrary, the Director of Budget and Management shall transfer \$150,000 in cash in fiscal year 2006 and ~~\$150,000~~ \$1,150,000 in cash in fiscal year 2007 from the Energy Efficiency Revolving Loan Fund (Fund 5M5) to the Alternative Fuel Transportation Grant Fund (Fund 5CG).

GLOBAL ANALYST SETTLEMENT AGREEMENTS PAYMENTS

All payments received by the state pursuant to a series of settlements with ten brokerage firms reached with the United States Securities and Exchange Commission, the National Association of Securities Dealers, the New York Stock Exchange, the New York Attorney General, and other state regulators (henceforth referred to as the "Global Analysts Settlement Agreements"), shall be deposited into the state treasury to the credit of the Economic Development Contingency Fund (Fund 5Y6), which is hereby created in the state treasury. The fund shall be used by the Director of Development to support economic development projects for which appropriations would not otherwise be available, and shall be subject to the submission of a request to the Controlling Board by the Director outlining the planned use of the funds, and the subsequent approval of the request by the Controlling Board.

Section 4. That existing Section 203.99.45 of Am. Sub. H.B.

66 of the 126th General Assembly is hereby repealed. 732

Section 5. That Section 203.99 of Am. Sub. H.B. 66 of the 733
 126th General Assembly, as amended by Am. Sub. S.B. 236 of the 734
 126th General Assembly, be amended to read as follows: 735

Sec. 203.99. DEV DEPARTMENT OF DEVELOPMENT 736

General Revenue Fund 737

GRF 195-321 Operating Expenses \$ 2,738,908 \$ 2,723,908 738

GRF 195-401 Thomas Edison Program \$ 17,554,838 \$ 17,454,838 739

GRF 195-404 Small Business \$ 1,740,722 \$ 1,740,722 740

Development

GRF 195-405 Minority Business \$ 1,580,291 \$ 1,580,291 741

Development Division

GRF 195-407 Travel and Tourism \$ 6,812,845 \$ 6,712,845 742

GRF 195-410 Defense Conversion \$ 300,000 \$ 200,000 743

Assistance

GRF 195-412 Business Development \$ 11,750,000 \$ 11,750,000 744

Grants

GRF 195-415 Economic Development \$ 5,794,975 \$ 5,894,975 745

Division and Regional
 Offices

GRF 195-416 Governor's Office of \$ 4,122,372 \$ 4,122,372 746

Appalachia

GRF 195-422 Third Frontier Action \$ 16,790,000 \$ 16,790,000 747

Fund

GRF 195-426 Clean Ohio \$ 300,000 \$ 300,000 748

Implementation

GRF 195-432 International Trade \$ 4,223,787 \$ 4,223,787 749

GRF 195-434 Investment in Training \$ 12,227,500 \$ 12,227,500 750

Grants

GRF 195-436 Labor/Management \$ 811,869 \$ 811,869 751

Cooperation

As Reported by the Senate Ways and Means and Economic Development Committee

GRF 195-497	CDBG Operating Match	\$	1,040,956	\$	1,040,956	752
GRF 195-498	State Match Energy	\$	94,000	\$	94,000	753
GRF 195-501	Appalachian Local Development Districts	\$	380,080	\$	380,080	754
GRF 195-502	Appalachian Regional Commission Dues	\$	246,803	\$	246,803	755
GRF 195-507	Travel and Tourism Grants	\$	1,287,500	\$	1,162,500	756
GRF 195-515	Economic Development Contingency	\$	10,000,000	\$	0	757
GRF 195-905	Third Frontier Research & Development General Obligation Debt Service	\$	0	\$	13,910,000	758
GRF 195-912	Job Ready Site Development General Obligation Debt Service	\$	0	\$	4,124,400	759
TOTAL GRF	General Revenue Fund	\$	99,797,446	\$	107,491,846	760
	General Services Fund Group					761
135 195-605	Supportive Services	\$	7,450,000	\$	7,539,686	762
5AD 195-667	Investment in Training Expansion	\$	5,000,000	\$	5,000,000	763
5AD 195-668	Worker Guarantee Program	\$	3,000,000	\$	3,000,000	764
5AD 195-677	Economic Development Contingency	\$	0	\$	10,000,000	765
685 195-636	General Reimbursements	\$	1,000,000	\$	1,000,000	766
TOTAL GSF	General Services Fund					767
Group		\$	16,450,000	\$	26,539,686	768
	Federal Special Revenue Fund Group					769
3AE 195-643	Workforce Development	\$	5,800,000	\$	5,800,000	770

		Initiatives				
3K8	195-613	Community Development	\$	65,000,000	\$	65,000,000 771
		Block Grant				
3K9	195-611	Home Energy Assistance	\$	90,500,000	\$	90,500,000 772
		Block Grant				
3K9	195-614	HEAP Weatherization	\$	16,219,478	\$	16,219,478 773
3L0	195-612	Community Services	\$	25,235,000	\$	25,235,000 774
		Block Grant				
3V1	195-601	HOME Program	\$	40,000,000	\$	40,000,000 775
308	195-602	Appalachian Regional	\$	600,660	\$	600,660 776
		Commission				
308	195-603	Housing and Urban	\$	5,000,000	\$	5,000,000 777
		Development				
308	195-605	Federal Projects	\$	15,300,249	\$	15,300,249 778
308	195-609	Small Business	\$	4,296,381	\$	4,296,381 779
		Administration				
308	195-618	Energy Federal Grants	\$	3,397,659	\$	3,397,659 780
335	195-610	Oil Overcharge	\$	3,000,000	\$	3,000,000 781
TOTAL FED		Federal Special Revenue				782
Fund Group			\$	274,349,427	\$	274,349,427 783
State Special Revenue		Fund Group				784
4F2	195-639	State Special Projects	\$	290,183	\$	290,183 785
4F2	195-676	Promote Ohio	\$	5,228,210	\$	5,228,210 786
4S0	195-630	Enterprise Zone	\$	275,000	\$	275,000 787
		Operating				
4S1	195-634	Job Creation Tax	\$	375,800	\$	375,800 788
		Credit Operating				
4W1	195-646	Minority Business	\$	2,580,597	\$	2,580,597 789
		Enterprise Loan				
444	195-607	Water and Sewer	\$	523,775	\$	523,775 790
		Commission Loans				
450	195-624	Minority Business	\$	53,967	\$	53,967 791
		Bonding Program				

		Administration				
451	195-625	Economic Development	\$	2,358,311	\$	2,358,311 792
		Financing Operating				
5CA	195-678	Shovel Ready Sites	\$	5,000,000	\$	5,000,000 793
5CG	195-679	Alternative Fuel	\$	150,000	\$	150,000 794
		Transportation				<u>1,150,000</u>
5CV	195-680	Defense Conversion	\$	1,000,000	\$	0 795
		Assistance				
5CY	195-682	Lung Cancer and Lung	\$	10,000,000	\$	0 796
		Disease Research				
5M4	195-659	Universal Service	\$	210,000,000	\$	210,000,000 797
5M5	195-660	Energy Efficiency Loan	\$	12,000,000	\$	12,000,000 798
		and Grant				
5X1	195-651	Exempt Facility	\$	25,000	\$	25,000 799
		Inspection				
611	195-631	Water and Sewer	\$	15,713	\$	15,713 800
		Administration				
617	195-654	Volume Cap	\$	200,000	\$	200,000 801
		Administration				
646	195-638	Low- and Moderate-	\$	53,000,000	\$	53,000,000 802
		Income Housing Trust				
		Fund				
		TOTAL SSR State Special Revenue				803
		Fund Group	\$	303,076,556	\$	292,076,556 804
						<u>293,076,556</u>
		Facilities Establishment Fund Group				805
009	195-664	Innovation Ohio	\$	50,000,000	\$	50,000,000 806
010	195-665	Research and	\$	50,000,000	\$	50,000,000 807
		Development				
037	195-615	Facilities	\$	63,931,149	\$	63,931,149 808
		Establishment				
4Z6	195-647	Rural Industrial Park	\$	3,000,000	\$	3,000,000 809
		Loan				

Sub. H. B. No. 245
As Reported by the Senate Ways and Means and Economic Development
Committee

5D2	195-650	Urban Redevelopment	\$	5,475,000	\$	5,475,000	810
		Loans					
5H1	195-652	Family Farm Loan	\$	1,000,000	\$	1,000,000	811
		Guarantee					
5S8	195-627	Rural Development	\$	3,000,000	\$	3,000,000	812
		Initiative					
5S9	195-628	Capital Access Loan	\$	3,000,000	\$	3,000,000	813
		Program					
TOTAL	037	Facilities					814
Establishment		Fund Group	\$	179,406,149	\$	179,406,149	815
Clean Ohio		Revitalization Fund					816
003	195-663	Clean Ohio Operating	\$	350,000	\$	350,000	817
TOTAL	003	Clean Ohio Revitalization	\$	350,000	\$	350,000	818
Fund							
Third Frontier		Research & Development					819
011	195-686	Third Frontier	\$	713,028	\$	1,932,056	820
		Operating					
011	195-687	Third Frontier	\$	100,000,000	\$	100,000,000	821
		Research & Development					
		Projects					
TOTAL	011	Third Frontier Research &	\$	100,713,028	\$	101,932,056	822
Development		Fund Group					
Job Ready		Site Development					823
012	195-688	Job Ready Site	\$	622,200	\$	746,155	824
		Operating					
TOTAL	012	Job Ready Site	\$	622,200	\$	746,155	825
Development		Fund Group					
TOTAL	ALL	BUDGET FUND GROUPS	\$	974,764,806	\$	982,891,875	826
						<u>983,891,875</u>	

Section 6. That existing Section 203.99 of Am. Sub. H.B. 66 828
of the 126th General Assembly, as amended by Am. Sub. S.B. 236 of 829

the 126th General Assembly, is hereby repealed. 830

Section 7. (A) As used in this section, "alternative fuel" 831
has the same meaning as in section 125.831 of the Revised Code, as 832
amended by this act. 833

(B) The Department of Taxation shall study the feasibility of 834
encouraging the use of alternative fuels by reducing the motor 835
fuel tax rate on those fuels, to the extent they are taxed under 836
Chapter 5735. of the Revised Code, to reflect their lower energy 837
content and the need to use more gallons of an alternative fuel to 838
travel the same distance. The study shall examine the British 839
thermal unit ("Btu") of each alternative fuel that may be used in 840
motor vehicles and determine at what rate each alternative fuel 841
may be taxed to result in an effective tax rate that is equalized 842
to conventional fuels, such as gasoline and diesel, according to 843
their relative Btu content by volume. Among any other matters the 844
Department of Taxation determines to be pertinent to the study, 845
the Department also shall consider the experience of other states 846
that have encouraged the use of alternative fuels by reducing 847
their fuel tax rates on those fuels. Not later than one year after 848
the effective date of this section, the Department shall prepare a 849
report regarding its findings and submit a copy of the report to 850
the Governor, the Speaker and Minority Leader of the House of 851
Representatives, and the President and Minority Leader of the 852
Senate. 853

Section 8. (A) As used in this section, "blended biodiesel" 854
and "E85 blend fuel" have the same meanings as in section 125.831 855
of the Revised Code, as amended by this act. 856

(B) The Department of Development, in conjunction with the 857
Department of Agriculture and the Department of Commerce, shall 858
conduct a study evaluating the factors involved in making the 859

production, sale, and use of blended biodiesel and E85 blend fuel 860
a commercially viable and self-sustaining industry in this state 861
so that government intervention and support for the blended 862
biodiesel and E85 blend fuel markets is not necessary. Not later 863
than one year after the effective date of this section, the 864
Department of Development shall prepare a report regarding its 865
findings and submit a copy of the report to the Governor, the 866
Speaker and Minority Leader of the House of Representatives, and 867
the President and Minority Leader of the Senate. 868

Section 9. Sections 3, 4, 5, 6, and 9 of this act, and the 869
items of law of which the sections are composed, are not subject 870
to the referendum. Therefore, under Ohio Constitution, Article II, 871
Section 1d and section 1.471 of the Revised Code, the sections, 872
and the items of law of which the sections are composed, go into 873
immediate effect when this act becomes law. 874