

Summary of Am. Sub. S. B. 131 (Gillmor-Cafaro)

As Sent to the Governor

Thursday, February 25, 2010

- Senate Bill 131 would create a state-level BioPreferred labeling program like the federal program, which was first created in the 2002 Farm Bill. Now in its fifth round of rule-making, the USDA program has approved over 3,500 categories of and 14,000 individual products.
- The Ohio legislation would be the most comprehensive in the nation. It would require state agencies, and public universities and colleges to purchase BioPreferred products instead of traditional petroleum or chemical based products.
- The bill adopts the federal BioPreferred labeling program in Ohio. State agencies are given a safety valve – bioproducts must replace traditional products except where 1) price, 2) quality and 3) availability are substantially different.
 - The price of the bioproduct “substantially exceeds” the price of the traditional product.
 - Price of product exceeds the fair market value of the regular product.
 - The Director of DAS shall give consideration to the benefits of bioproducts, and shall extend a purchase preference up to 5% for bioproducts.
 - Each institution of higher education shall adopt its own program.
- Requires an annual report to the Governor, and legislative leaders on purchases made under the program. Higher ed. institutions must report to the Board of Regents.
- The poll conducted by Liberty Advocates indicates that 88% of Ohioans would prefer to purchase bioproducts in lieu of traditionally made products when available. And 78% of Ohioans would prefer to purchase bioproducts even when they cost up to 10% more than traditional products.
- By large majorities, Ohioans also prefer to have all levels of government use bioproducts, with 88% favoring *requiring* local governments to purchase bioproducts.

- The Ohio bill has no opposition. It unanimously passed the Senate 31-0 in September, and the House 92-1 on February 17, 2010. It was a key vote for the Ohio Farm Bureau. It is also supported by the Ohio Chamber of Commerce, Ohio Soybean Association, Ohio Corn Growers Association, Battelle, the Ohio Bioproduct Innovation Center, and Ohio companies like Univenture, NuTek and others.
- SB 131 merely adopts the federal program and its list of approved bioproducts in Ohio. The federal program was established in the 2002 Farm bill, and was reauthorized in the 2008 Farm Bill. Gov. Strickland and 11 other Midwestern Governors signed an agreement in November of 2007 for each state to pass its own bioproducts purchase program either by executive order or by legislation.
- It is a low cost to no cost program which will help Ohio farmers, Ohio's economy and environment and existing bioproducts manufacturers.
- Some Ohio companies manufacturing bioproducts include: Ashland Chemical, NuTek, Univenture, International Paper, Sherwin Williams, Proctor and Gamble, Hexion Specialty Co., Poly One, Owens Illinois, Cooper Tire, Battelle, the Scotts Company, and the Andersons.

Diesel Tax Credit Amendment to S.B. 131

The amendment "restores" Ohio's retail level tax credit for the sale of biodiesel fuel. The incentive is aimed at B85 or at least fuel with over a 20% blend of biodiesel. Below that grade, the credit decreases as follows.

- 15 cent retail tax credit for biodiesel sold in tax year ending in 2010. Fuel may have been sold in any part of calendar years 2009 or 2010 but within tax year 2010.
- 15 cent retail tax credit for biodiesel sold in 2010 calendar year and within tax year 2010.
- 13 cent retail tax credit for biodiesel sold in 2011 calendar year and within 2011 tax year.
- For 10% - 20% biodiesel blend, retail tax credit is 7 ½ cents per gallon.
- For 6% - 10% blended biodiesel, credit equals 3 ¾ cents per gallon.