

SENATE BILL 261

C2, M4, M3

71r0396

By: **Senators Garagiola, Brinkley, Colburn, Conway, Forehand, Hogan, Hooper, Jacobs, Jones, Klausmeier, Kramer, Lenett, Madaleno, McFadden, Mooney, Pugh, and Raskin**

Introduced and read first time: January 29, 2007

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 14, 2007

CHAPTER _____

1 AN ACT concerning

2 **~~Biodiesel Renewable Fuel Act~~**
3 **Task Force on Renewable Alternative Fuels**

4 FOR the purpose of ~~requiring certain retail service station dealers to sell a certain~~
5 ~~percentage of biodiesel in diesel fuel on an annual basis under certain~~
6 ~~circumstances; providing for the increase in the percentage of biodiesel that~~
7 ~~must be sold in the State, by certain years, and under certain circumstances;~~
8 ~~requiring the Secretary of Agriculture to make certain determinations;~~
9 ~~requiring certain retail service station dealers to provide certain evidence to the~~
10 ~~Secretary and the Comptroller on an annual basis; requiring the Department of~~
11 ~~Agriculture and the Comptroller to jointly establish an Advisory Committee to~~
12 ~~facilitate the implementation of this Act; requiring the Advisory Committee to~~
13 ~~make a certain annual report; exempting the sale of aviation fuel from the~~
14 ~~provisions of this Act; and generally relating to the use of biodiesel in the State~~
15 establishing a Task Force on Renewable Alternative Fuels; providing for the
16 membership of the Task Force; requiring the Secretary of Agriculture to chair
17 the Task Force; requiring the Department of Agriculture to provide staff for the
18 Task Force; prohibiting members of the Task Force from receiving certain
19 compensation; providing for the duties of the Task Force; requiring the Task

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Force to report to the Governor, the Senate Finance Committee, and the House
 2 Economic Matters Committee; providing for the termination of this Act; and
 3 generally relating to the Task Force on Renewable Alternative Fuels.

4 ~~BY repealing and reenacting, without amendments,~~
 5 ~~Article—Agriculture~~
 6 ~~Section 10-1501(a) and (b)~~
 7 ~~Annotated Code of Maryland~~
 8 ~~(1999 Replacement Volume and 2006 Supplement)~~

9 ~~BY repealing and reenacting, without amendments,~~
 10 ~~Article—Business Regulation~~
 11 ~~Section 10-101(k)~~
 12 ~~Annotated Code of Maryland~~
 13 ~~(2004 Replacement Volume and 2006 Supplement)~~

14 ~~BY adding to~~
 15 ~~Article—Business Regulation~~
 16 ~~Section 10-325~~
 17 ~~Annotated Code of Maryland~~
 18 ~~(2004 Replacement Volume and 2006 Supplement)~~

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 20 MARYLAND, That the Laws of Maryland read as follows:

21 ~~Article—Agriculture~~

22 ~~10-1501.~~

23 (a) ~~In this subtitle the following words have the meanings indicated.~~

24 (b) ~~“Biodiesel” means an alternative motor fuel produced from a renewable~~
 25 ~~resource such as vegetable oil or animal fat.~~

26 ~~Article—Business Regulation~~

27 ~~10-101.~~

28 (k) ~~“Retail service station dealer” means a person who operates a retail place~~
 29 ~~of business where motor fuel is sold and delivered into the fuel supply tanks of motor~~
 30 ~~vehicles.~~

31 ~~10-325.~~

1 ~~(A) "BIODIESEL" HAS THE MEANING STATED IN § 10-1501 OF THE~~
2 ~~AGRICULTURE ARTICLE.~~

3 ~~(B) (1) ON OR BEFORE JANUARY 1, 2009, OR WHEN THE SECRETARY~~
4 ~~OF AGRICULTURE DETERMINES THAT PRODUCTION OF BIODIESEL IN THE~~
5 ~~STATE IS SUFFICIENT, AT LEAST 2% OF THE TOTAL DIESEL FUEL SOLD IN THE~~
6 ~~STATE BY RETAIL SERVICE STATION DEALERS EACH YEAR SHALL BE BIODIESEL.~~

7 ~~(2) ON OR BEFORE JANUARY 1, 2012, OR WHEN THE SECRETARY~~
8 ~~OF AGRICULTURE DETERMINES THAT PRODUCTION OF BIODIESEL IN THE~~
9 ~~STATE IS SUFFICIENT, AT LEAST 5% OF THE TOTAL DIESEL FUEL SOLD IN THE~~
10 ~~STATE BY RETAIL SERVICE STATION DEALERS EACH YEAR SHALL BE BIODIESEL.~~

11 ~~(C) THE SECRETARY OF AGRICULTURE SHALL PUBLISH THE~~
12 ~~DETERMINATIONS MADE UNDER SUBSECTION (B) OF THIS SECTION IN THE~~
13 ~~MARYLAND REGISTER.~~

14 ~~(D) RETAIL SERVICE STATION DEALERS SHALL PROVIDE EVIDENCE OF~~
15 ~~THEIR BIODIESEL SALES TO THE DEPARTMENT OF AGRICULTURE AND THE~~
16 ~~COMPTROLLER ON AN ANNUAL BASIS.~~

17 ~~(E) (1) ON OR BEFORE JANUARY 1, 2008, THE DEPARTMENT OF~~
18 ~~AGRICULTURE AND THE COMPTROLLER SHALL JOINTLY ESTABLISH AN~~
19 ~~ADVISORY COMMITTEE TO FACILITATE THE IMPLEMENTATION OF THIS~~
20 ~~SECTION.~~

21 ~~(2) THE ADVISORY COMMITTEE SHALL MAKE AN ANNUAL~~
22 ~~REPORT, WHICH INCLUDES INFORMATION ON:~~

23 ~~(I) IMPLEMENTATION OF THIS SECTION, INCLUDING ANY~~
24 ~~LOGISTICAL, TECHNICAL, AND ECONOMIC ISSUES;~~

25 ~~(II) COMPLIANCE AND ENFORCEMENT OF THIS SECTION;~~
26 ~~AND~~

27 ~~(III) NEW ADVANCEMENTS IN RENEWABLE FUELS.~~

28 ~~(3) THE ADVISORY COMMITTEE SHALL REPORT TO THE~~
29 ~~PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE, THE SENATE~~

~~1 EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE, THE~~
~~2 HOUSE ENVIRONMENTAL MATTERS COMMITTEE, AND THE GOVERNOR, IN~~
~~3 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.~~

4 ~~(F) THIS SECTION DOES NOT APPLY TO THE SALE OF AVIATION FUEL.~~

5 (a) There is a Task Force on Renewable Alternative Fuels.

6 (b) The Task Force consists of the following members:

7 (1) One member of the Senate of Maryland, appointed by the
8 President of the Senate;

9 (2) One member of the House of Delegates, appointed by the Speaker
10 of the House;

11 (3) The State Comptroller, or the Comptroller's designee;

12 (4) The Secretary of Agriculture, or the Secretary's designee;

13 (5) The Secretary of the Environment, or the Secretary's designee;

14 (6) The Executive Director of the Maryland Energy Administration, or
15 the Executive Director's designee;

16 (7) One representative from the Mid-Atlantic Petroleum Distributors'
17 Association;

18 (8) One representative from the Maryland Motor Truck Association;

19 (9) One representative from the Maryland Petroleum Council;

20 (10) One representative from the Washington, Maryland, Delaware
21 Service Station and Automotive Repair Association;

22 (11) One representative of the Maryland Farm Bureau; and

23 (12) One representative from groups that advocate for the environment.

24 (c) The Secretary of Agriculture shall appoint the nondesignated members of
25 the Task Force.

- 1 (d) The Secretary of Agriculture shall chair the Task Force.
- 2 (e) The Department of Agriculture shall provide staff for the Task Force.
- 3 (f) A member of the Task Force may not receive compensation as a member
4 of the Task Force but is entitled to reimbursement for expenses under the Standard
5 State Travel Regulations, as provided in the State budget.
- 6 (g) The Task Force shall:
- 7 (1) Study ways to integrate biodiesel and other renewable fuels into
8 motor fuels used in State and local public fleets;
- 9 (2) Study incentives or mandates to integrate biodiesel and other
10 renewable fuels in the private and public sector;
- 11 (3) Study home heating issues;
- 12 (4) Determine the economic and environmental impact on Maryland,
13 including Maryland agriculture, regarding the use of biodiesel and other renewable
14 fuels;
- 15 (5) Determine how the use of biodiesel and other renewable fuels
16 affects agricultural supplies and fuel supplies in Maryland; and
- 17 (6) Examine Maryland energy policy in terms of the following factors:
- 18 (i) Improving domestic (Maryland) energy supply and security
19 as it pertains to liquid fuels;
- 20 (ii) Currently available sources of renewable alternative fuels to
21 the Maryland market and the quantities available;
- 22 (iii) Sources, types, and quantities of renewable alternative fuels
23 potentially available to the Maryland market in the next 3 years;
- 24 (iv) Infrastructure improvements needed;
- 25 (v) Investment needed and potential return on investment;
- 26 (vi) Opportunities for the petroleum industry;
- 27 (vii) Relevant policies in other states and federal policies; and

1 (viii) A timeline for future review.

2 (h) The Task Force shall report its findings and recommendations on or
3 before December 31, 2007, to the Governor, and, in accordance with § 2-1246 of the
4 State Government Article, the Senate Finance Committee and the House Economic
5 Matters Committee.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2007 July 1, 2007. It shall remain effective for a period of 1 year and, at the
8 end of June 30, 2008, with no further action required by the General Assembly, this
9 Act shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.