

**SB0555/187672/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 555  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Kittleman,”; strike beginning with “prohibiting” in line 6 down through “volume” in line 9 and substitute “requiring, on or after certain dates after a certain time and certification that a certain number of gallons of in-State production level of biodiesel is reached, a certain percentage of the total diesel sold by volume in the State be biodiesel produced from feedstock grown in the United States; requiring the Comptroller to adopt certain regulations”; in line 13, strike “Department of Agriculture and the”; in the same line, after “Transportation” insert “and other applicable agencies”; in line 17, after the second “of” insert “certain”; and in line 25, after “year;” insert “requiring the Department of Agriculture, in consultation with certain agencies, to develop a plan for infrastructure development that will support certain requirements once the State reaches applicable production levels; requiring the Department of Agriculture to report on the plan, findings, and recommendations to the Governor and the General Assembly on or before a certain date;”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 23 through 26, inclusive, and substitute:

**“(3) “CELLULOSIC FEEDSTOCK” MEANS PLANT MATTER OR MATERIAL COMPRISED OF CELLULOSE, HEMICELLULOSE, OR LIGNIN THAT IS AVAILABLE ON A RENEWABLE OR RECURRING BASIS, INCLUDING:**

**(1) AGRICULTURE WASTES, SUCH AS CORN STOVER, STRAW, SEED HULLS, SORGHUM BAGASSE, AND NUTSHELLS;**

(Over)

(II) HIGH-YIELDING ENERGY CROPS, SUCH AS POPLARS, WILLOWS, SWITCHGRASS, ALFALFA, AND ALGAE;

(III) WOOD MATERIALS, SUCH AS WOOD OR BARK, SAWDUST, TIMBER SLASH, AND MILL SCRAP; AND

(IV) WASTE MATERIAL, INCLUDING MUNICIPAL WASTE, SUCH AS YARD CLIPPINGS.”.

AMENDMENT NO. 3

On page 7, in line 3, strike “RENEWABLE”; in the same line, after “FUEL” insert “DERIVED FROM A RENEWABLE SOURCE AND”; in line 6, after “SUCCESSORS” insert “AND THAT IS MANUFACTURED BY AN ENTITY CERTIFIED BY THE BQ-9000 NATIONAL BIODIESEL ACCREDITATION PROGRAM”; in line 16, strike “NON-ESTER”; strike in their entirety lines 20 and 21 and substitute:

“(II) IS PRODUCED FROM BIOLOGICAL SOURCES OF OILS;

(III) HAS AN EMISSIONS PROFILE AT LEAST AS ENVIRONMENTALLY PROTECTIVE AS THE BIODIESEL THAT IT REPLACES;”;

in line 22, strike “(III)” and substitute “(IV)”; in the same line, strike “IN DIESEL ENGINES; AND” and substitute “AS A FUEL;

(V) WHEN INTENDED FOR USE IN MOTOR VEHICLES, IS REGISTERED UNDER 40 C.F.R. PART 79 AS A MOTOR VEHICLE FUEL OR FUEL ADDITIVE;

(VI) WHEN INTENDED FOR USE IN NONMOTOR VEHICLE APPLICATIONS, IS PROPERLY REGISTERED AS REQUIRED UNDER APPLICABLE FEDERAL OR STATE LAW; AND”;

and in line 23, strike “(IV)” and substitute “(VII)”.

On page 8, strike in their entirety lines 6 through 19, inclusive, and substitute:

“(B) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, ON OR AFTER THE DATES SET BY THE COMPTROLLER BY REGULATION THAT ARE MORE THAN 1 YEAR AFTER THE DEPARTMENT OF AGRICULTURE CERTIFIES THAT THE IN-STATE PRODUCTION LEVEL OF BIODIESEL EQUALS AT LEAST:

(I) 12,000,000 GALLONS, 2% OF THE TOTAL DIESEL SOLD BY VOLUME IN THE STATE MUST BE BIODIESEL PRODUCED FROM FEEDSTOCK GROWN IN THE UNITED STATES;

(II) 30,000,000 GALLONS, 5% OF THE TOTAL DIESEL SOLD BY VOLUME IN THE STATE MUST BE BIODIESEL PRODUCED FROM FEEDSTOCK GROWN IN THE UNITED STATES;

(III) 55,000,000 GALLONS, 10% OF THE TOTAL DIESEL SOLD BY VOLUME IN THE STATE MUST BE BIODIESEL PRODUCED FROM FEEDSTOCK GROWN IN THE UNITED STATES;

(IV) 110,000,000 GALLONS, 20% OF THE TOTAL DIESEL SOLD BY VOLUME IN THE STATE MUST BE BIODIESEL PRODUCED FROM FEEDSTOCK GROWN IN THE UNITED STATES.”;

(Over)

in line 26, after “TRANSPORTATION” insert “AND OTHER APPLICABLE AGENCIES”; in lines 26 and 27, strike “MANUFACTURERS OF DIESEL MOTOR VEHICLES SOLD IN THE STATE WILL NOT VOID ENGINE” and substitute “MANUFACTURER”; in line 27, after “WARRANTIES” insert “WILL NOT BE VOIDED”; after line 30, insert:

**“(4) THE COMPTROLLER SHALL ADOPT REGULATIONS THAT SPECIFY THE DATES AND THE MANNER IN WHICH THE BIODIESEL CONTENT REQUIREMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION ARE TO BE MET.”;**

and in line 31, strike “(D)” and substitute “(C)”.

On page 9, in line 3, strike “25,000,000” and substitute “100,000,000”; in line 4, strike “10%” and substitute “5%”; in line 5, after “FUEL” insert “PRODUCED IN THE STATE”; in line 6, after “SATISFY” insert “UP TO 25% OF”; in line 11, strike “SUBSTANTIALLY INCREASE COSTS” and substitute “PLACE RETAILERS AT A COMPETITIVE DISADVANTAGE OR CAUSE ECONOMIC HARDSHIP”; in line 7, strike “(E)” and substitute “(D)”; in line 9, strike “(C) AND (D)” and substitute “(B) AND (C)”; in line 18, strike “(F)” and substitute “(E)”; after line 26, insert:

**“(2) THE INCIDENCE OF PERFORMANCE-RELATED ISSUES THAT MAY HAVE ARISEN DUE TO COLD WEATHER OR BIOFUEL QUALITY;”;**

and in lines 27 and 29, strike “(2)” and “(3)”, respectively, and substitute “(3)” and “(4)”, respectively.

AMENDMENT NO. 4

On page 9, after line 30, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) (1) The Department of Agriculture, in consultation with the Comptroller, the Maryland Energy Administration, the Chesapeake Bay Commission, the Department of Transportation, and the Department of Business and Economic Development, shall develop a plan that includes findings and recommendations for infrastructure development that will support the requirements under § 10-304.2(b) and (c) of the Business Regulation Article, as enacted by Section 1 of this Act once the State reaches applicable production levels.

(2) The plan shall include all aspects of the biofuel supply chain infrastructure, including:

(i) Feedstock production: sustainably produced supplies of biofuel feedstocks;

(ii) Feedstock logistics: equipment, labor force, harvesting, collection, storage, pre-processing, and transportation operations;

(iii) Biofuels production: refining, conversion operations, transportation operations, and storage;

(iv) Biofuels distribution: transportation, storage, blending, and dispensing operations; and

(v) Biofuels end use infrastructure: storage, retail pump retrofits and upgrades, marketing, consumer demand, compatible vehicles with higher blends of biofuels, and manufacturer warranties.

(3) The plan shall include a list of available State and federal funds that may be available for supply chain infrastructure needs through various State or federal programs with the intent to minimize supply chain construction costs and costs of the fuel product. The list should, at a minimum, include:

(Over)

- (i) Grants;
- (ii) Loans, loan guarantees, and leases;
- (iii) Tax incentives;
- (iv) Rebates;
- (v) Fuel discounts;
- (vi) Technical assistance; and
- (vii) Funds made available through the federal American Recovery and Reinvestment Act of 2009.

(4) The plan shall include comprehensive and proactive recommendations to ensure public health, safety, and environmental sustainability and natural resource protection, including:

- (i) Types of feedstocks used;
- (ii) Location of feedstocks grown;
- (iii) Removal guidelines for agricultural and forestry cellulosic feedstocks; and
- (iv) Best management practices needed for sustainable feedstock production.

(b) On or before January 1, 2010, the Department of Agriculture shall report to the Governor, and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on its plan, findings, and recommendations.”;

and in line 31, strike “2.” and substitute “3.”.