

# SENATE BILL 220

P2, M4

9lr1328

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By: **Senators Pinsky, Frosh, Harrington, and Raskin**

Introduced and read first time: January 23, 2009

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Government – Prohibition on Use of State Funds – Ethanol Derived**  
3 **from Corn**

4 FOR the purpose of prohibiting the use of State funds to encourage certain uses and  
5 production of ethanol derived from corn; prohibiting the Renewable Fuels  
6 Incentive Board from offering a certain production credit for ethanol derived  
7 from corn; altering certain definitions to remove certain financial incentives for  
8 the use of ethanol derived from corn; and generally relating to prohibiting the  
9 use of State funds to encourage the use and production of ethanol derived from  
10 corn.

11 BY repealing and reenacting, with amendments,  
12 Article – Agriculture  
13 Section 10–1502 and 10–1504(b)(4) and (d)  
14 Annotated Code of Maryland  
15 (2007 Replacement Volume and 2008 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – Agriculture  
18 Section 10–1504(a)  
19 Annotated Code of Maryland  
20 (2007 Replacement Volume and 2008 Supplement)

21 BY repealing and reenacting, without amendments,  
22 Article – Economic Development  
23 Section 10–801(a)  
24 Annotated Code of Maryland  
25 (2008 Volume)

26 BY repealing and reenacting, with amendments,  
27 Article – Economic Development

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 10–801(f)  
2 Annotated Code of Maryland  
3 (2008 Volume)

4 BY adding to  
5 Article – State Finance and Procurement  
6 Section 7–203  
7 Annotated Code of Maryland  
8 (2006 Replacement Volume and 2008 Supplement)

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 9–101(a) and 10–726(a)(1)  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2008 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – General  
16 Section 9–101(d) and 10–726(a)(2)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2008 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 10–1502.

23 (A) [This] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**  
24 **THIS** subtitle authorizes credits for the production of:

25 (1) Ethanol that:

26 (i) Satisfies the American Society for Testing and Materials  
27 Specifications D 4806–88; and

28 (ii) Is denatured as specified in 27 C.F.R. Parts 20 and 21; and

29 (2) Biodiesel that satisfies the American Society for Testing and  
30 Materials D 6751.

31 (B) **CREDITS MAY NOT BE GRANTED FOR ETHANOL DERIVED FROM**  
32 **CORN.**

33 10–1504.

1 (a) To be eligible for credits under this subtitle, an ethanol or biodiesel  
2 producer shall apply to the Board for certification on an application provided by the  
3 Board.

4 (b) An applicant shall show in the application to the satisfaction of the  
5 Board:

6 (4) For an ethanol production facility, information demonstrating:

7 (i) The production capacity of the facility; [and]

8 (ii) The quantity and availability of small grains and other  
9 suitable agricultural products in the vicinity of the production facility that may be  
10 used by the facility; **AND**

11 **(III) THAT THE ETHANOL PRODUCED WILL NOT BE DERIVED**  
12 **FROM CORN;**

13 (d) (1) The Board may not certify ethanol production credits:

14 **(I) [for] FOR** more than a total of 15,000,000 gallons per  
15 calendar year, of which at least 10,000,000 gallons shall be produced from small  
16 grains; **AND**

17 **(II) FOR ETHANOL PRODUCTS DERIVED FROM CORN.**

18 (2) The Board may not certify biodiesel production credits for more  
19 than a total of 5,000,000 gallons per calendar year, of which at least 2,000,000 gallons  
20 shall be from soybean oil produced:

21 (i) In a facility that began operating after December 31, 2004;  
22 or

23 (ii) Under the expanded capacity of a facility, the expansion of  
24 which occurred after December 31, 2004.

## 25 **Article – Economic Development**

26 10–801.

27 (a) In this subtitle the following words and terms have the meanings  
28 indicated.

29 (f) **(1)** “Clean energy” includes:

30 **[(1)] (I)** solar photovoltaic technology;

- 1                    [(2)] (II)    solar heating;
- 2                    [(3)] (III)    geothermal;
- 3                    [(4)] (IV)    wind;
- 4                    [(5)] (V)     biofuels;
- 5                    [(6)] (VI)    ethanol;
- 6                    [(7)] (VII)    other qualifying biomass as defined in § 7-701 of the  
7 Public Utility Companies Article;
- 8                    [(8)] (VIII)    ocean, including energy from waves, tides, currents,  
9 and thermal differences;
- 10                   [(9)] (IX)     a fuel cell that produces energy from biofuels, ethanol,  
11 or other qualifying biomass;
- 12                   [(10)] (X)     energy efficiency and conservation;
- 13                   [(11)] (XI)    any other technology or service that the Center  
14 determines will contribute directly or indirectly to the production of energy from  
15 renewable or sustainable sources, or to the improvement of efficiency in the use of  
16 energy; and
- 17                   [(12)] (XII)    deployment of any of the technologies or services  
18 listed in items (1) through (11) of this subsection.

19                    (2)    **“CLEAN ENERGY” DOES NOT INCLUDE ETHANOL DERIVED**  
20 **FROM CORN.**

21                    **Article – State Finance and Procurement**

22                    **7-203.**

23                    (A)    **STATE FUNDS MAY NOT BE USED TO ENCOURAGE:**

24                    (1)    **THE USE OF ETHANOL DERIVED FROM CORN AS MOTOR FUEL;**  
25 **OR**

26                    (2)    **THE PRODUCTION OF ETHANOL DERIVED FROM CORN FOR**  
27 **USE AS MOTOR FUEL.**



1                                   (II) **“CELLULOSIC ETHANOL TECHNOLOGY” DOES NOT**  
2 **INCLUDE TECHNOLOGY THAT IS USED TO DEVELOP CELLULOSIC BIOMASS FROM**  
3 **CORN FOR CONVERSION TO ETHANOL FUEL.**

4                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5   October 1, 2009.