

# HOUSE BILL 1045

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71r1763

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By: **Delegates Montgomery, Gilchrist, Glassman, Howard, Kaiser, Kipke,  
Lawton, Manno, McComas, Pena-Melnyk, and Shewell**

Introduced and read first time: February 9, 2007

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Biodiesel Production Credit - Eligibility and Amounts**

3 FOR the purpose of altering the eligibility of a certain production credit for certain  
4 biodiesel products; altering the maximum amount of a production credit  
5 authorized for certain biodiesel products; and generally relating to production  
6 credits for biodiesel products.

7 BY repealing and reenacting, without amendments,  
8 Article – Agriculture  
9 Section 10–1501  
10 Annotated Code of Maryland  
11 (1999 Replacement Volume and 2006 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Agriculture  
14 Section 10–1502 and 10–1505  
15 Annotated Code of Maryland  
16 (1999 Replacement Volume and 2006 Supplement)

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

19 **Article – Agriculture**

20 10–1501.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (b) "Biodiesel" means an alternative motor fuel produced from a renewable  
3 resource such as vegetable oil or animal fat.

4 (c) "Board" means the Renewable Fuels Incentive Board.

5 (d) "Ethanol" means fermented ethyl alcohol derived from agricultural or  
6 forest products.

7 (e) (1) "Small grains" means a winter grain crop.

8 (2) "Small grains" includes wheat, rye, triticale, oats, and hulled or  
9 hull-less barley.

10 10-1502.

11 This subtitle authorizes credits for the production of:

12 (1) Ethanol that:

13 (i) Satisfies the American Society for Testing and Materials  
14 Specifications D 4806-88; and

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

16 (2) Biodiesel [that satisfies the American Society for Testing and  
17 Materials D 6751] **AS DEFINED IN § 10-1501 OF THIS SUBTITLE.**

18 10-1505.

19 (a) (1) The Board may pay credits as calculated under this section to  
20 certified producers of ethanol or biodiesel in the State for ethanol or biodiesel produced  
21 on or after December 31, 2007.

22 (2) (i) For the purposes of this subtitle, a person that holds a  
23 controlling interest in more than one ethanol production facility is considered to be a  
24 single ethanol producer.

1                   (ii) For the purposes of this subtitle, a person that holds a  
2 controlling interest in more than one biodiesel production facility is considered to be a  
3 single biodiesel producer.

4           (b) (1) For an ethanol producer, a credit may not exceed the maximum  
5 amount certified by the Board and shall be:

6                   (i) 20 cents per gallon of ethanol produced from small grains;  
7 and

8                   (ii) 5 cents per gallon of ethanol produced from other  
9 agricultural products.

10           (2) For a biodiesel producer, a credit may not exceed the maximum  
11 amount certified by the Board and shall be[:

12                   (i) 20] **30** cents per gallon of biodiesel produced from soybean  
13 oil [produced] **OR OTHER FEEDSTOCK**[:

14                               1. In a facility that began operating after December 31,  
15 2004; or

16                               2. Under the expanded capacity of a facility, the  
17 expansion of which occurred after December 31, 2004; and

18                   (ii) 5 cents per gallon of biodiesel produced from other feedstock,  
19 including soybean oil produced in a facility that began operating on or before  
20 December 31, 2004].

21           (c) The Board may not pay a credit for ethanol or biodiesel produced after  
22 December 31, 2017.

23           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2007.