

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 416

(Delegate Stein, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Maryland Agricultural Commission - Biofuel Industry Member

This bill adds a member representing the biofuel industry to the Maryland Agricultural Commission. The member is appointed by the Governor from a list of two nominees representing the biofuel industry.

Fiscal Summary

State Effect: Any expense reimbursements for an additional commission member are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Agricultural Commission consists of 29 members representing commodities across the State. The mission of the commission is to provide advice and counsel to the Secretary of Agriculture on agriculturally related issues, in addition to offering assistance to the Secretary in the establishment of laws, regulations, and policies that will help ensure a viable and environmentally safe ecosystem within the agriculture industry.

Background: Biofuels include alcohol fuels, such as ethanol, as well as biodiesel, a fuel made from grain oils and animal fats. Ethanol produced from corn is the most widely used biofuel in the United States. Ethanol is not generally used alone as a motor fuel, but

instead is used as an additive in gasoline or in greater proportion with gasoline in the case of E85 fuel (85% ethanol, 15% gasoline).

According to the Renewable Fuels Association, 3.9 billion gallons of ethanol were produced in the United States in 2005, a 140% increase over the 1.6 billion gallons produced in 2000. In January of 2006, there were 95 ethanol refineries nationwide with a production capacity of 4.3 billion gallons per year. Ethanol production is concentrated in the Midwest with roughly 76% of the production capacity located in Illinois, Iowa, Nebraska, Minnesota, and South Dakota. As of January 2006 ethanol facilities existed or were under construction in 20 different states.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Renewable Fuels Association; Energy Information Administration; *Fuel Ethanol: Background and Public Policy Issues*, 2006, Congressional Research Service; Department of Legislative Services

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Analysis by: Scott D. Kennedy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510