

SENATE BILL 93

Q5

9lr0129

(PRE-FILED)

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Comptroller)**

Requested: September 30, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Taxes – Biodiesel Fuel User License**

3 FOR the purpose of requiring a person to be licensed by the Comptroller before the
4 person may buy, produce, acquire, receive, or store certain biodiesel fuel on
5 which the motor fuel tax has not been paid and use it in certain motor vehicles;
6 providing for the issuance of a biodiesel fuel user license under the motor fuel
7 tax law; requiring applicants for a biodiesel fuel user license to post security in
8 a certain minimum amount except under certain circumstances; defining
9 certain terms and altering certain definitions under the motor fuel tax law; and
10 generally relating to use of biodiesel fuel and the motor fuel tax.

11 BY adding to

12 Article – Tax – General
13 Section 9–101(c–1), 9–301(d–1), and 9–322(h–1)
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2008 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article – Tax – General
18 Section 9–101(h), 9–301(h), and 13–825(f)(8)
19 Annotated Code of Maryland
20 (2004 Replacement Volume and 2008 Supplement)

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

23 **Article – Tax – General**

24 9–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(C-1) “BIODIESEL FUEL” MEANS ANY FUEL OR MIXTURE OF FUEL THAT**
 2 **IS DERIVED IN WHOLE OR IN PART FROM AGRICULTURAL PRODUCTS OR ANIMAL**
 3 **FATS OR THE WASTES OF SUCH PRODUCTS.**

4 (h) (1) “Special fuel” means a product that is usable as fuel in an internal
 5 combustion engine.

6 (2) “Special fuel” includes:

7 (I) clean-burning fuel except electricity; **AND**

8 (II) **BIODIESEL FUEL.**

9 (3) “Special fuel” does not include gasoline.

10 9-301.

11 **(D-1) “ENGAGE IN THE BUSINESS OF A BIODIESEL FUEL USER” MEANS**
 12 **TO:**

13 (1) **BUY, PRODUCE, ACQUIRE, RECEIVE, OR STORE BIODIESEL**
 14 **FUEL ON WHICH THE MOTOR FUEL TAX HAS NOT BEEN PAID; AND**

15 (2) **USE IT IN A MOTOR VEHICLE THAT IS:**

16 (I) **OWNED OR OPERATED BY THE BIODIESEL FUEL USER;**
 17 **AND**

18 (II) **REGISTERED TO OPERATE ON A PUBLIC HIGHWAY.**

19 (h) (1) “Engage in the business of a special fuel user” means to:

20 [(1)] (I) buy special fuel on which the motor fuel tax has not been
 21 paid; and

22 [(2)] (II) use it in a motor vehicle that is:

23 [(i)] 1. owned or operated by the special fuel user; and

24 [(ii)] 2. registered to operate on a public highway.

25 (2) **“ENGAGE IN THE BUSINESS OF A SPECIAL FUEL USER”**
 26 **INCLUDES TO ENGAGE IN THE BUSINESS OF A BIODIESEL FUEL USER.**

1 9-322.

2 **(H-1) A CLASS “U-1” LICENSE AUTHORIZES A LICENSEE TO ENGAGE, IN**
3 **THIS STATE, IN THE BUSINESS OF A BIODIESEL FUEL USER.**

4 13-825.

5 (f) The Comptroller shall require an applicant for any license under Title 9
6 of this article, except for a Class “W” license, to post security for the motor fuel tax in
7 the amount that the Comptroller requires, but not less than:

8 (8) (I) \$1,000 for a Class “U” license; AND

9 (II) **\$1,000 FOR A CLASS “U-1” LICENSE, PROVIDED THAT**
10 **SECURITY IS NOT REQUIRED IF THE BIODIESEL FUEL USER HAS PRODUCED,**
11 **ACQUIRED, RECEIVED, OR STORED LESS THAN 4,000 GALLONS OF SPECIAL FUEL**
12 **TO BE USED IN A MOTOR VEHICLE DURING A CALENDAR YEAR.**

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