

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2009

CHAPTER _____

1 AN ACT concerning

2 **Motor Fuel Taxes - ~~Biodiesel Fuel User License~~ Special Fuel User - Biodiesel**
3 **Fuel**

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

13 BY adding to

14 Article - Tax - General
15 Section ~~9-101(c-1), 9-301(d-1), and 9-322(h-1)~~
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2008 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article - Tax - General
20 Section ~~9-101(h), 9-301(h), and 13-825(f)(8)~~ and 9-301(h), (s), and (t)
21 Annotated Code of Maryland
22 (2004 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Tax – General**

4 9–101.

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

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

10 (2) “Special fuel” includes:

11 (I) clean–burning fuel except electricity; AND

12 (II) **BIODIESEL FUEL.**

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

14 9–301.

15 ~~(D–1) “ENGAGE IN THE BUSINESS OF A BIODIESEL FUEL USER” MEANS TO:~~

16 ~~(1) BUY, PRODUCE, ACQUIRE, RECEIVE, OR STORE BIODIESEL~~
17 ~~FUEL ON WHICH THE MOTOR FUEL TAX HAS NOT BEEN PAID; AND~~

18 ~~(2) USE IT IN A MOTOR VEHICLE THAT IS:~~

19 ~~(I) OWNED OR OPERATED BY THE BIODIESEL FUEL USER;~~

20 ~~AND~~

21 ~~(II) REGISTERED TO OPERATE ON A PUBLIC HIGHWAY.~~

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

23 ~~[(1)]~~ (I) buy special fuel on which the motor fuel tax has not been
24 paid; ~~and~~ OR

25 (II) BUY, PRODUCE, ACQUIRE, RECEIVE, OR STORE
26 BIODIESEL FUEL ON WHICH THE MOTOR FUEL TAX HAS NOT BEEN PAID; AND

1 ~~{(2)}~~ ~~(H)~~ use it in a motor vehicle that is:

2 ~~{(i)}~~ ~~1.~~ owned or operated by the special fuel user; and

3 ~~{(ii)}~~ ~~2.~~ registered to operate on a public highway.

4 (s) (1) “Special fuel seller” means a person who engages in the business of
5 a special fuel seller.

6 (2) “Special fuel seller” does not include:

7 (i) a retail service station dealer who pays the motor fuel tax on
8 special fuel to the supplier of the special fuel; [or]

9 (ii) a marina that sells special fuel only to vessels; OR

10 **(III) A PERSON WHO PRODUCES, ACQUIRES, RECEIVES, OR**
11 **STORES LESS THAN 4,000 GALLONS OF BIODIESEL FUEL DURING A CALENDAR**
12 **YEAR.**

13 (t) (1) “Special fuel user” means a person who engages in the business of
14 a special fuel user.

15 (2) “Special fuel user” does not include:

16 (i) a person whose only storage for special fuel is the fuel
17 supply tank of a motor vehicle;

18 (ii) a volunteer fire or nonprofit volunteer rescue company that
19 is incorporated in the State and buys special fuel from a licensed special fuel seller to
20 operate fire fighting vehicles or equipment; [or]

21 (iii) a person who pays the motor fuel tax on all special fuels to
22 the supplier of the special fuels; OR

23 **(IV) A PERSON WHO PRODUCES, ACQUIRES, RECEIVES, OR**
24 **STORES LESS THAN 4,000 GALLONS OF BIODIESEL FUEL TO BE USED IN A**
25 **MOTOR VEHICLE DURING A CALENDAR YEAR.**

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

28 ~~9-322.~~

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

1 ~~13-825.~~

2 ~~(f) The Comptroller shall require an applicant for any license under Title 9~~
3 ~~of this article, except for a Class "W" license, to post security for the motor fuel tax in~~
4 ~~the amount that the Comptroller requires, but not less than:~~

5 ~~(g) (i) \$1,000 for a Class "U" license; AND~~

6 ~~(ii) \$1,000 for a Class "U-1" license, provided that~~
7 ~~security is not required if the biodiesel fuel user has produced,~~
8 ~~acquired, received, or stored less than 4,000 gallons of special fuel~~
9 ~~to be used in a motor vehicle during a calendar year.~~

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.