



## States' Biofuels Statutes

### STATE OF MARYLAND

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.*

*Current through the 2013 Legislative Session of the Maryland General Assembly.*

#### **§ 10-1501. Definitions**

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Biodiesel” means an alternative motor fuel produced from a renewable resource such as vegetable oil or animal fat.
- (c) “Board” means the Renewable Fuels Incentive Board.
- (d) “Ethanol” means fermented ethyl alcohol derived from agricultural or forest products.
- (e)(1) “Small grains” means a winter grain crop.
  - (2) “Small grains” includes wheat, rye, triticale, oats, and hulled or hull-less barley.

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005.

---

#### **§ 10-1502. Production credits**

This subtitle authorizes credits for the production of:

- (1) Ethanol that:
  - (i) Satisfies the American Society for Testing and Materials Specifications D 4806-88; and
  - (ii) Is denatured as specified in 27 C.F.R. Parts 20 and 21; and
- (2) Biodiesel that satisfies the American Society for Testing and Materials D 6751.

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005.

---

**§ 10-1503. Renewable Fuels Incentive Board**

- (a) There is a Renewable Fuels Incentive Board.
- (b) The Board consists of four members as follows:
  - (1) The Secretary of Agriculture or the Secretary's designee;
  - (2) The Secretary of Business and Economic Development or the Secretary's designee;
  - (3) The Secretary of the Environment or the Secretary's designee; and
  - (4) The Director of the Maryland Energy Administration or the Director's designee.
- (c)(1) The Secretary of Agriculture or the Secretary's designee shall serve as the Chair of the Board.
  - (2) The Department of Agriculture, the Department of Business and Economic Development, and the Maryland Department of the Environment jointly shall provide staff support for the Board.
- (d) The Board shall review credit certification applications and pay credits under this subtitle.

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005.

---

**§ 10-1504. Application**

- (a) To be eligible for credits under this subtitle, an ethanol or biodiesel producer shall apply to the Board for certification on an application provided by the Board.
- (b) An applicant shall show in the application to the satisfaction of the Board:
  - (1) That the applicant will construct or operate a facility capable of producing ethanol or biodiesel;
  - (2) That the applicant will invest or has invested substantial resources in the State in connection with the facility;
  - (3) That the facility will constitute a permanent fixture in the State;
  - (4) For an ethanol production facility, information demonstrating:
    - (i) The production capacity of the facility; and

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

(5) For a biodiesel production facility, information demonstrating:

(i) The production capacity of the facility; and

(ii) The quantity and availability of soybean oil and other suitable bio-based oils in the vicinity of the production facility that may be used by the facility;

(6) Information demonstrating:

(i) The availability and cost of energy sufficient to operate the facility;

(ii) The availability of sufficient water and waste disposal systems for the facility;

(iii) The availability of sufficient labor and a qualified site manager for the facility; and

(iv) That the facility will meet all State and federal environmental standards;

(7) Any proposed marketing agreements for the ethanol or biodiesel products;

(8) A plan to give farmers in the State the opportunity to invest in the facility; and

(9) That the applicant will meet any other requirement established by the Board.

(c) The Board shall:

(1) Review each application submitted under this subtitle;

(2) Approve or deny the application within 60 days of receipt of the application; and

(3) For an approved application, certify the producer as eligible for a credit in an amount that is:

(i) Based on the production capacity of the facility, as determined by the Board; and

(ii) Consistent with subsection (d) of this section.

(d)(1) The Board may not certify ethanol production credits for more than a total of 15,000,000 gallons per calendar year, of which at least 10,000,000 gallons shall be produced from small grains.

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

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

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

(e)(1) If eligible, a producer may apply to the Board for certification for additional credits if the producer increases the production capacity of the facility.

(2) If a facility does not achieve its certified production capacity for 2 consecutive years, the Board may revise the stated production capacity of the facility and the corresponding credit certification of the producer to reflect actual production.

(f) An application submitted to the Board under this section is not subject to disclosure under the Maryland Public Information Act.<sup>1</sup>

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005. Amended by Acts 2005, c. 25, § 13, eff. April 12, 2005.

---

#### **§ 10-1505. Payment of credits**

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

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

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

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

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

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

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

(i) 20 cents per gallon of biodiesel produced from soybean oil produced:

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

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

(ii) 5 cents per gallon of biodiesel produced from other feedstock, including soybean oil produced in

a facility that began operating on or before December 31, 2004.

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

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005.

---

### **§ 10-1506. Claims**

(a) After February 1, 2008, to receive a credit payment a certified ethanol or biodiesel producer shall file a claim with the Board by the end of January, April, July, and October of each year.

(b) A claim filed under this section shall state:

(1)(i) The producer's total ethanol production in the State during the previous quarter, categorized by ethanol produced from small grains and ethanol produced from other agricultural products; or

(ii) The producer's total biodiesel production in Maryland during the previous quarter, categorized by biodiesel produced from:

1. Soybean oil produced in a facility that began operating after December 31, 2004, or under the expanded capacity of a facility, the expansion of which occurred after December 31, 2004; and
2. Other feedstock, including soybean oil produced in a facility that began operating on or before December 31, 2004;

(2) The location of the producer;

(3) The average number of Maryland citizens employed by the producer in the previous quarter;

(4)(i) For an ethanol producer, the number of bushels of Maryland-grown small grains and other agricultural commodities used by the producer in the previous quarter; or

(ii) For a biodiesel producer, the number of gallons of Maryland-produced soybean oil and other bio-based oils used by the producer in the previous quarter; and

(5) Any other information that the Board requires.

(c) A claim filed under this section shall be reviewed by an independent certified public accountant with respect to, as appropriate:

(1) The total ethanol production;

(2) The breakdown between ethanol produced from small grains and ethanol produced from other agricultural products;

(3) The total biodiesel production; and

(4) The breakdown between biodiesel produced from:

(i) Soybean oil produced in a facility that began operating after December 31, 2004, or under the expanded capacity of a facility, the expansion of which occurred after December 31, 2004; and

(ii) Other feedstock, including soybean oil produced in a facility that began operating on or before December 31, 2004.

(d) A claim submitted to the Board under this section is not subject to disclosure under the Maryland Public Information Act.<sup>1</sup>

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005.

---

**§ 10-1507. Appropriations; other funds**

(a) For fiscal year 2008 and each succeeding fiscal year, the Governor shall include sufficient funds in the State budget to implement this subtitle.

(b) To implement this subtitle, the Board:

(1) Shall maximize the use of federal funds or matching programs to the extent possible; and

(2) May solicit and accept grants or donations from State, local, or private entities.

**Credits:** Added by Acts 2005, c. 332, § 1, eff. Oct. 1, 2005.