

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT (CORRECTED)
LB585

Hearing Date: Wednesday March 13, 2019

Committee On: Revenue

Introducer: Friesen

One Liner: Create the Renewable Fuel Infrastructure Program, eliminate a sales tax exemption, and provide for grants

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Briese, Crawford, Friesen, Groene, Kolterman, Lindstrom, Linehan, McCollister

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Curt Friesen

Troy Bredenkamp

Randy Gard

Dawn Caldwell

Tim Keigher

John Hansen

Steve Ebke

Art Nietfeld

Representing:

Introducer

Renewable Fuels Nebraska

Nebraska Ethanol Board, Bosselman Enterprises

Aurora Cooperative Elevator Co.

Nebraska Petroleum Marketers and Convenience Store Association

Nebraska Farmers Union

Nebraska Corn Growers Association

Self

Opponents:

Deb Evans-Olson

Allen Glaser

David Peter

Scott Olson

Jim Otto

Joe Kohout

Representing:

Lincoln Coin & Bullion, Inc.

Nebraska Coins & Collectibles

Coinhusker

Self

Nebraska Retail Federation

American Petroleum Institute

Neutral:

Representing:

Summary of purpose and/or changes:

The bill creates the Renewable Fuel Infrastructure Program. The program will be administered through the State Energy Office (NOTE: LB302 which merges the Energy Office with the Department of Environmental Quality is on Final Reading). Grants would be distributed for eligible infrastructure projects at retail motor fuel sites to install, replace, or convert ethanol infrastructure. The office is authorized to approve up to \$1 million in grants in any calendar year.

To be eligible for a grant, a person must be an owner or operator of a retail motor fuel site. Eligible projects must be

designed and used exclusively to store and dispense E-15 or E-85 or a blend of ethanol and gasoline. The project must be on the premises of a retail motor fuel site and the project must be a cost-share project.

Cost-share project means a grant that shall not exceed 50% of the estimated cost or \$30,000, whichever is less, for a 3-year cost-share agreement or 70% of the estimated costs or \$50,000, whichever is less, for a 5-year cost-share agreement.

Successful applicants must comply with federal and state standards governing new or upgraded motor fuel storage tanks for renewable fuels and such tanks shall not be used for anything other than renewable fuels unless a waiver is granted by the office.

\$1 million is appropriated to the Renewable Fuel Infrastructure Fund. No more than 10% of the funds may be used for administrative purposes.

The operative date is January 1, 2020.

Explanation of amendments:

The amendment clarifies that the grants are for blends higher than E-15 and that the Energy Office award grants to the maximum number of qualified applicants.

The amendment removes the elimination of the sales tax exemption for currency and bullion which was intended to cover the costs of the program.

Lou Ann Linehan, Chairperson