

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 585

FINAL READING

Introduced by Friesen, 34.

Read first time January 22, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to renewable fuels; to define terms; to create
- 2 the Renewable Fuel Infrastructure Program; to provide for grants; to
- 3 create a fund; and to provide an operative date.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. For purposes of sections 1 to 7 of this act:

2 (1) Department means the Department of Environment and Energy;

3 (2) E-15 means a blend of ethanol and gasoline in which ethanol
4 comprises fifteen percent of the blend by volume;

5 (3) E-85 means a blend of ethanol and gasoline in which ethanol
6 comprises seventy percent or more of the blend by volume;

7 (4) Motor fuel pump means a meter or similar commercial weighing and
8 measuring device used to measure and dispense motor fuel originating from
9 a motor fuel storage tank;

10 (5) Program means the Renewable Fuel Infrastructure Program created
11 in section 2 of this act;

12 (6) Retail dealer means a person engaged in the business of storing
13 and dispensing motor fuel from a motor fuel pump for sale on a retail
14 basis; and

15 (7) Retail motor fuel site means a geographic location in this state
16 where a retail dealer sells and dispenses motor fuel from a motor fuel
17 pump on a retail basis.

18 Sec. 2. The Renewable Fuel Infrastructure Program is created. The
19 purpose of the program is to improve retail motor fuel sites by
20 installing, replacing, or converting ethanol infrastructure to be used to
21 store, blend, or dispense renewable fuel. The program shall function as a
22 grant program administered by the department. Grant applications shall be
23 made on a form prescribed by the department. Grant funds shall be
24 distributed to eligible persons for eligible ethanol infrastructure
25 projects under the requirements in section 3 of this act.

26 Sec. 3. (1) A person shall be eligible to apply for a grant under
27 the program if the person is an owner or operator of a retail motor fuel
28 site.

29 (2) An ethanol infrastructure project shall be eligible for a grant
30 under the program if such project is:

31 (a) Designed and used exclusively to store and dispense E-15

1 gasoline or E-85 gasoline or a blend of ethanol and gasoline from a motor
2 fuel pump designed to blend such motor fuels together in blends higher
3 than E-15. Such E-15 gasoline shall be a registered fuel recognized by
4 the United States Environmental Protection Agency;

5 (b) On the premises of a retail motor fuel site; and

6 (c) Subject to a cost-share agreement as described in section 5 of
7 this act.

8 (3) An ethanol infrastructure project shall not be eligible for a
9 grant under the program if such infrastructure includes a tank vehicle.

10 Sec. 4. Any eligible person applying for a grant under the program
11 shall include the following information in the application:

12 (1) The name of the person and the address of the retail motor fuel
13 site to be improved;

14 (2) A detailed description of the infrastructure to be installed,
15 replaced, or converted, including, but not limited to, the model number
16 of each motor fuel storage tank to be installed, replaced, or converted,
17 if available;

18 (3) A statement describing how the retail motor fuel site is to be
19 improved, the estimated cost of the planned improvement, and the date
20 when the infrastructure will be first used; and

21 (4) A statement certifying the infrastructure project complies with
22 section 3 of this act and will comply with a cost-share agreement entered
23 into with the department pursuant to section 5 of this act unless granted
24 a waiver by the department.

25 Sec. 5. (1) The department shall determine the amount of the grants
26 to be awarded under the program. The department shall award grants to the
27 maximum number of qualified applicants and may approve up to one million
28 dollars in grants in any calendar year.

29 (2) The department shall approve and execute a cost-share agreement
30 according to terms and conditions set by the department with an eligible
31 person whose application is approved by the department for such grant.

1 Such cost-share agreement shall state the total costs related to
2 improving a retail motor fuel site, the amount of the grant, and whether
3 the agreement is for a three-year or five-year period.

4 (3) In awarding grants under the program, an award shall not exceed
5 (a) fifty percent of the estimated cost of the improvement or thirty
6 thousand dollars, whichever is less, for a three-year cost-share
7 agreement, or (b) seventy percent of the estimated costs of making the
8 improvement or fifty thousand dollars, whichever is less, for a five-year
9 cost-share agreement. The department may approve multiple improvements to
10 the same retail motor fuel site so long as the total amount of the grants
11 does not exceed the limitations in this subsection.

12 Sec. 6. A retail motor fuel site that is improved using grants
13 under the program shall comply with federal and state standards governing
14 new or upgraded motor fuel storage tanks used to store and dispense
15 renewable fuels. A retail motor fuel site that is improved using grants
16 under the program shall not use such infrastructure to store and dispense
17 motor fuel other than the type of renewable fuel approved by the
18 department in the cost-share agreement, unless granted a waiver by the
19 department.

20 Sec. 7. The Renewable Fuel Infrastructure Fund is created. The fund
21 shall consist of appropriations made by the Legislature, transfers
22 authorized by the Legislature, grants, and any contributions designated
23 for the purpose of the fund. Any money in the fund available for
24 investment shall be invested by the state investment officer pursuant to
25 the Nebraska Capital Expansion Act and the Nebraska State Funds
26 Investment Act. The fund shall be administered by the department and used
27 to award grants under the program. No more than ten percent of the fund
28 shall be used for administration of the program.

29 Sec. 8. This act becomes operative on January 1, 2020.