

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 585**

Introduced by Friesen, 34.

Read first time January 22, 2019

Committee: Revenue

1 A BILL FOR AN ACT relating to renewable fuels; to amend section 81-1602,  
2 Revised Statutes Cumulative Supplement, 2018; to create the  
3 Renewable Fuel Infrastructure Program; to create a fund; to provide  
4 for grants; to state intent regarding funding; to eliminate an  
5 exemption to sales tax imposed on currency and bullion; to harmonize  
6 provisions; to provide an operative date; to repeal the original  
7 section; and to outright repeal section 77-2704.66, Reissue Revised  
8 Statutes of Nebraska.  
9 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) E-15 means a blend of ethanol and gasoline in which ethanol  
3 comprises fifteen percent of the blend by volume;

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

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

9           (4) Office means the State Energy Office;

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 State Energy Office. Grant applications  
23 shall be made to the office during calendar years 2020 through 2024 on a  
24 form prescribed by the office. Grant funds shall be distributed to  
25 eligible persons for eligible ethanol infrastructure projects under the  
26 requirements in section 3 of this act.

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

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

1       (a) Designed and used exclusively to store and dispense E-15  
2 gasoline or E-85 gasoline or a blend of ethanol and gasoline from a motor  
3 fuel pump designed to blend such motor fuels together. Such E-15 gasoline  
4 shall be a registered fuel recognized by the United States Environmental  
5 Protection Agency;

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

7       (c) A cost-share project as described in section 5 of 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 office pursuant to section 5 of this act unless granted a  
24 waiver by the office.

25       Sec. 5. (1) The office shall determine the amount of the grants to  
26 be awarded under the program. The office shall consider applications in  
27 the order in which they are received and may approve up to one million  
28 dollars in grants in any calendar year.

29       (2) The office shall approve and execute a cost-share agreement  
30 according to terms and conditions set by the office 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 office may approve multiple improvements to the  
10 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 office  
18 in the cost-share agreement, unless granted a waiver by the office.

19 Sec. 7. (1) The Renewable Fuel Infrastructure Fund is created. The  
20 fund shall consist of appropriations made by the Legislature, transfers  
21 authorized by the Legislature, grants, and any contributions designated  
22 for the purpose of the fund. Any money in the fund available for  
23 investment shall be invested by the state investment officer pursuant to  
24 the Nebraska Capital Expansion Act and the Nebraska State Funds  
25 Investment Act. The fund shall be administered by the State Energy Office  
26 and used to award grants under the program. No more than ten percent of  
27 the fund shall be used for administration of the program.

28 (2) It is the intent of the Legislature to appropriate one million  
29 dollars from the General Fund to the Renewable Fuel Infrastructure Fund  
30 for carrying out the purposes of the program.

31 Sec. 8. Section 81-1602, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 81-1602 The State Energy Office shall have the following duties:

3 (1) To serve as or assist in developing and coordinating a central  
4 repository within state government for the collection of data on energy;

5 (2) To undertake a continuing assessment of the trends in the  
6 availability, consumption, and development of all forms of energy;

7 (3) To collect and analyze data relating to present and future  
8 demands and resources for all sources of energy and to specify energy  
9 needs for the state;

10 (4) To recommend to the Governor and the Legislature energy policies  
11 and conservation measures for the state and to carry out such measures as  
12 are adopted;

13 (5) To provide for public dissemination of appropriate information  
14 on energy, energy sources, and energy conservation;

15 (6) To accept, expend, or disburse funds, public or private, made  
16 available to it for research studies, demonstration projects, or other  
17 activities which are related either to energy conservation and efficiency  
18 or development;

19 (7) To study the impact and relationship of state energy policies to  
20 national and regional energy policies and engage in such activities as  
21 will reasonably insure that the State of Nebraska and its citizens  
22 receive an equitable share of energy supplies, including the  
23 administration of any federally mandated or state-mandated energy  
24 allocation programs;

25 (8) To actively seek the advice of the citizens of Nebraska  
26 regarding energy policies and programs;

27 (9) To prepare emergency allocation plans suggesting to the Governor  
28 actions to be taken in the event of serious shortages of energy;

29 (10) To design a state program for conservation of energy and energy  
30 efficiency;

31 (11) To provide technical assistance to local subdivisions of

1 government;

2 (12) To provide technical assistance to private persons desiring  
3 information on energy conservation and efficiency techniques and the use  
4 of renewable energy technologies;

5 (13) To develop a strategic state energy plan pursuant to section  
6 81-1604;

7 (14) To develop and disseminate transparent and objective energy  
8 information and analysis while utilizing existing energy planning  
9 resources of relevant stakeholder entities;

10 (15) To actively seek to maximize federal and other nonstate funding  
11 and support to the state for energy planning;~~and~~

12 (16) To monitor energy transmission capacity planning and policy  
13 affecting the state and the regulatory approval process for the  
14 development of energy infrastructure and make recommendations to the  
15 Governor and electronically to the Legislature as necessary to facilitate  
16 energy infrastructure planning and development; and -

17 (17) To administer the Renewable Fuel Infrastructure Program under  
18 sections 1 to 7 of this act.

19 Sec. 9. This act becomes operative on January 1, 2020.

20 Sec. 10. Original section 81-1602, Revised Statutes Cumulative  
21 Supplement, 2018, is repealed.

22 Sec. 11. The following section is outright repealed: Section  
23 77-2704.66, Reissue Revised Statutes of Nebraska.