

LEGISLATIVE BILL 585

Approved by the Governor May 08, 2019

Introduced by Friesen, 34.

A BILL FOR AN ACT relating to renewable fuels; to define terms; to create the Renewable Fuel Infrastructure Program; to provide for grants; to create a fund; and to provide an operative date.

Be it enacted by the people of the State of Nebraska,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The department shall approve and execute a cost-share agreement according to terms and conditions set by the department with an eligible person whose application is approved by the department for such grant. Such cost-share agreement shall state the total costs related to improving a retail motor fuel site, the amount of the grant, and whether the agreement is for a three-year or five-year period.

(3) In awarding grants under the program, an award shall not exceed (a) fifty percent of the estimated cost of the improvement or thirty thousand dollars, whichever is less, for a three-year cost-share agreement, or (b) seventy percent of the estimated costs of making the improvement or fifty thousand dollars, whichever is less, for a five-year cost-share agreement. The department may approve multiple improvements to the same retail motor fuel site

so long as the total amount of the grants does not exceed the limitations in this subsection.

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

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

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