

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 585

Introduced by Friesen, 34.

Read first time January 22, 2019

Committee:

- 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.