

WHEREAS, Biodiesel production is anticipated to grow from its current 30 million gallons annually to 150 million gallons annually, due in part to the increased demand for a clean-burning alternative to sulphur in diesel fuel; and

WHEREAS, The construction of ethanol and biodiesel production facilities will provide expanded market opportunities for farmers and a value added enterprise that will promote economic development in rural areas; and

WHEREAS, A facility producing biodiesel fuel made from Maryland soybean oil would serve to create a stronger and more diverse local market for Maryland soybean producers; and

WHEREAS, Small grains grown as a winter crop under a nutrient management plan serve to take up nutrients remaining from the previous crop, holding these nutrients in the field rather than polluting the Chesapeake Bay, and have been shown to be extremely effective as cover crops; and

WHEREAS, An ethanol production facility producing 15 million gallons of ethanol annually from small grains will generate the production of the equivalent of an additional 100,000 acres of cover crops towards the acreage goals of the Chesapeake Bay Commission and the Tributary Strategy Teams, which groups consider cover crops to be one of the most cost effective methods of reducing the amount of nutrients entering the Chesapeake Bay; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Agriculture

SUBTITLE 15. PRODUCTION CREDITS FOR RENEWABLE FUELS.

10-1501.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "BIODIESEL" MEANS AN ALTERNATIVE MOTOR FUEL PRODUCED FROM A RENEWABLE RESOURCE SUCH AS VEGETABLE OIL OR ANIMAL FAT.

(C) "BOARD" MEANS THE RENEWABLE FUELS INCENTIVE BOARD.

(D) "ETHANOL" MEANS FERMENTED ETHYL ALCOHOL DERIVED FROM AGRICULTURAL OR FOREST PRODUCTS.

(E) (1) "SMALL GRAINS" MEANS A WINTER GRAIN CROP.

(2) "SMALL GRAINS" INCLUDES WHEAT, RYE, TRITICALE, OATS, AND HULLED OR HULL-LESS BARLEY.

10-1502.

THIS SUBTITLE AUTHORIZES CREDITS FOR THE PRODUCTION OF:

(1) ETHANOL THAT: