

SUBSTITUTE FOR
SENATE BILL NO. 1076

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2094) by adding section 78.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 78. (1) THE FUND SHALL CREATE AND ADMINISTER A RETAIL
2 SERVICE STATION GRANT PROGRAM TO PROVIDE INCENTIVES TO OWNERS AND
3 OPERATORS OF RETAIL SERVICE STATIONS TO CONVERT EXISTING FUEL
4 DELIVERY SYSTEMS AND TO CREATE NEW FUEL DELIVERY SYSTEMS DESIGNED
5 TO PROVIDE E85 FUEL.

6 (2) THE RETAIL SERVICE STATION GRANT PROGRAM SHALL PROVIDE FOR
7 ALL THE FOLLOWING:

8 (A) THAT A GRANT SHALL NOT EXCEED 50% OF THE COSTS TO CONVERT
9 AN EXISTING FUEL DELIVERY SYSTEM TO PROVIDE E85 FUEL OR BIODIESEL
10 BLEND, NOT TO EXCEED \$2,000.00 PER FACILITY.

1 (B) THAT A GRANT SHALL NOT EXCEED 50% OF THE NEW CONSTRUCTION
2 COSTS TO CREATE A FUEL DELIVERY SYSTEM TO PROVIDE E85 FUEL OR
3 BIODIESEL BLEND, NOT TO EXCEED \$15,000.00 PER FACILITY FOR E85 FUEL
4 AND \$5,000.00 PER FACILITY FOR BIODIESEL BLEND.

5 (C) A CONTRACTUAL PROVISION REQUIRING THE GRANT RECIPIENT TO
6 REPAY A PORTION OF THE GRANT IF THE GRANT RECIPIENT STOPS USING THE
7 FUEL DELIVERY SYSTEM TO PROVIDE E85 FUEL OR BIODIESEL BLEND WITHIN
8 3 YEARS OF RECEIVING THE GRANT, AS DETERMINED BY THE FUND. THE
9 PORTION OF THE GRANT TO BE REPAID SHALL BE CALCULATED BY
10 MULTIPLYING THE AMOUNT OF THE GRANT BY A FRACTION, THE NUMERATOR OF
11 WHICH IS THE NUMBER OF DAYS THAT THE FUEL DELIVERY SYSTEM WAS NOT
12 USED TO PROVIDE E85 FUEL OR BIODIESEL BLEND DURING THAT 3-YEAR
13 PERIOD AND THE DENOMINATOR OF WHICH IS 1,095.

14 (3) THE FUND SHALL CREATE AND ADMINISTER A BULK PLANT GRANT
15 PROGRAM TO PROVIDE INCENTIVES TO OWNERS AND OPERATORS OF BULK
16 PLANTS TO CONVERT EXISTING FUEL DELIVERY SYSTEMS AND TO CREATE NEW
17 FUEL DELIVERY SYSTEMS DESIGNED TO PROVIDE BIODIESEL BLENDS.

18 (4) THE BULK PLANT GRANT PROGRAM SHALL PROVIDE FOR ALL THE
19 FOLLOWING:

20 (A) THAT A GRANT SHALL NOT EXCEED 50% OF THE COSTS TO CONVERT
21 AN EXISTING FUEL DELIVERY SYSTEM TO PROVIDE BIODIESEL BLEND, NOT TO
22 EXCEED \$2,000.00 PER FACILITY.

23 (B) THAT A GRANT SHALL NOT EXCEED 50% OF THE NEW CONSTRUCTION
24 COSTS TO CREATE A FUEL DELIVERY SYSTEM TO PROVIDE BIODIESEL BLEND,
25 NOT TO EXCEED \$15,000.00 PER FACILITY.

26 (C) A CONTRACTUAL PROVISION REQUIRING THE GRANT RECIPIENT TO
27 REPAY A PORTION OF THE GRANT IF THE GRANT RECIPIENT STOPS USING THE

1 FUEL DELIVERY SYSTEM TO PROVIDE BIODIESEL BLEND WITHIN 3 YEARS OF
2 RECEIVING THE GRANT, AS DETERMINED BY THE FUND. THE PORTION OF THE
3 GRANT TO BE REPAID SHALL BE CALCULATED BY MULTIPLYING THE AMOUNT OF
4 THE GRANT BY A FRACTION, THE NUMERATOR OF WHICH IS THE NUMBER OF
5 DAYS THAT THE FUEL DELIVERY SYSTEM WAS NOT USED TO PROVIDE
6 BIODIESEL BLEND DURING THAT 3-YEAR PERIOD AND THE DENOMINATOR OF
7 WHICH IS 1,095.

8 (5) THE FUND SHALL INITIALLY FUND THE RETAIL SERVICE STATION
9 GRANT PROGRAM AND THE BULK PLANT GRANT PROGRAM WITH A COMBINED
10 AMOUNT NOT TO EXCEED \$500,000.00 IN THE 2006-2007 FISCAL YEAR.

11 (6) AS USED IN THIS SECTION:

12 (A) "BIODIESEL" MEANS A FUEL COMPOSED OF MONO-ALKYL ESTERS OF
13 LONG CHAIN FATTY ACIDS DERIVED FROM VEGETABLE OILS OR ANIMAL FATS,
14 AND, IN ACCORDANCE WITH STANDARDS SPECIFIED BY THE AMERICAN SOCIETY
15 FOR TESTING AND MATERIALS, DESIGNATED B100, AND MEETING THE
16 REQUIREMENTS OF D-6751, AS APPROVED BY THE DEPARTMENT OF
17 AGRICULTURE.

18 (B) "BIODIESEL BLEND" MEANS A FUEL COMPRISED OF A BLEND OF
19 BIODIESEL FUEL WITH PETROLEUM-BASED DIESEL FUEL, SUITABLE FOR USE
20 AS A FUEL IN A COMPRESSION-IGNITION INTERNAL COMBUSTION DIESEL
21 ENGINE.

22 (C) "BULK PLANT" MEANS THAT TERM AS DEFINED IN SECTION 2 OF
23 THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1002.

24 (D) "E85 FUEL" MEANS A FUEL BLEND CONTAINING BETWEEN 70% AND
25 85% DENATURED FUEL ETHANOL AND GASOLINE SUITABLE FOR USE IN A
26 SPARK-IGNITION ENGINE AND THAT MEETS AMERICAN SOCIETY FOR TESTING
27 AND MATERIALS D-5798 SPECIFICATIONS.

1 (E) "RETAIL SERVICE STATION" MEANS A COMMERCIAL PUBLIC ACCESS
2 SERVICE STATION AND DOES NOT INCLUDE STATE, SCHOOL, UNIVERSITY, OR
3 LOCAL GOVERNMENTAL REFUELING SITES.