

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1454

H.P. 1032

House of Representatives, February 23, 1999

An Act to Promote Ethanol Production as Alternative Fuel.

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative KNEELAND of Easton.
Cosponsored by Senator KIEFFER of Aroostook and
Representatives: BERRY of Belmont, DAIGLE of Arundel, LOVETT of Scarborough,
O'NEAL of Limestone, SHERMAN of Hodgdon, WHEELER of Bridgewater, Senators:
MICHAUD of Penobscot, PARADIS of Aroostook.

Be it enacted by the People of the State of Maine as follows:

2
4 **Sec. 1. 5 MRSA §12004-I, sub-§6-F** is enacted to read:

6 6-F. Agricultural Legislative 10 MRSA
8 Economic Products per diem for §997-B
10 Development Utilization appointed
12 Commission members plus
14 expenses

16 **Sec. 2. 10 MRSA §§997-A and 997-B** are enacted to read:

18 **§997-A. Agriculturally Derived Fuel Fund**

20 1. Purpose. The purpose of this section is to provide
22 assistance to promote the production and use of agriculturally
24 derived fuels. For the purposes of this section, "agriculturally
26 derived fuel" means methanol or ethanol produced from organic
28 matter that is available on a renewable basis, including
30 agricultural crops and agricultural wastes and residues.

32 2. Establishment of fund. The Agriculturally Derived Fuel
34 Fund, referred to in this section as the "fund," is established
36 as a nonlapsing fund under the jurisdiction and control of the
38 authority. The authority, in consultation with the Agricultural
40 Products Utilization Commission, as established in Title 5,
42 section 12004-I, subsection 6-F, may apply for and accept any
44 appropriation, grant, gift or service made available from public
46 or private sources consistent with the purpose of this section.

48 3. Application of fund. Money in the fund may be used for
50 direct loans and direct subsidies to a business or cooperative
52 for the design and construction of a facility to produce an
54 agriculturally derived fuel. The authority, pursuant to Title 5,
56 chapter 375, subchapter II-A, in consultation with the
58 Agricultural Products Utilization Commission shall adopt rules
60 for determining eligibility, feasibility, terms, conditions and
62 security for direct loans, secured loans and investments. Money
64 in the fund not needed to meet the obligations of the authority
66 as provided in this section may be invested in a manner permitted
68 by law. For the purposes of this section, "business" means an
70 individual, company, corporation or any other entity organized
72 for a common business purpose and "cooperative" means an
74 association organized as a cooperative in accordance with Title
76 13, chapter 85, subchapter II.

78 **§997-B Agricultural Products Utilization Commission**

80 The Agricultural Products Utilization Commission, as
82 established in Title 5, section 12004-I, subsection 6-F, shall

2 advise the members of the authority on the adoption, amendment or
3 repeal of rules, policies or administrative procedures for
4 carrying out section 997-A.

5 1. Membership. The commission consists of 9 members, 5 of
6 whom must be appointed by the Governor for terms of 2 years each,
7 arranged so that 2 terms expire in odd-numbered years and 3 terms
8 expire in even-numbered years. Three members appointed by the
9 Governor must be actively engaged in farming in this State and 2
10 members appointed by the Governor must be actively engaged in
11 business in this State. The Commissioner of Agriculture, Food
12 and Rural Resources shall appoint one member for a term of 2
13 years, which expires in odd-numbered years. The member appointed
14 by the commissioner must be actively engaged in farming in this
15 State. Commission members may be reappointed to the commission.
16 Terms of members run from the first day of July. The Director of
17 Economic and Community Development, the President of the
18 University of Maine and the Commissioner of Agriculture, Food and
19 Rural Resources, or their designees, are members of the
20 commission. The commission shall elect one of its members as
21 chair.

22 2. Commission meetings; staff. The Agricultural Products
23 Utilization Commission shall meet as necessary and shall report
24 annually to the Legislature on the commission's activities and
25 deposits and expenditures from the Agriculturally Derived Fuel
26 Fund. The authority shall provide staff and support services to
27 the commission.

30 SUMMARY

31 This bill establishes the Agriculturally Derived Fuel Fund
32 to promote the production and use of methanol and ethanol from
33 agricultural biomass. The Finance Authority of Maine is given
34 control of the fund. It also establishes the Agricultural
35 Products Utilization Commission as an advisory commission to the
36 authority.