

**MICHIGAN STRATEGIC FUND ACT (EXCERPT)**  
**Act 270 of 1984**

**125.2078 Service station matching grant program.**

Sec. 78.

(1) The fund shall create and administer a service station matching grant program to provide incentives to owners and operators of service stations to convert existing fuel delivery systems and to create new fuel delivery systems designed to provide E85 fuel and biodiesel blends.

(2) The service station matching grant program shall provide for all the following:

(a) That a grant shall not exceed 75% of the costs to convert an existing fuel delivery system to provide E85 fuel or biodiesel blend, not to exceed \$3,000.00 per facility.

(b) That a grant shall not exceed 50% of the new construction costs to create a fuel delivery system to provide E85 fuel or biodiesel blend, not to exceed \$12,000.00 per facility for E85 fuel and \$4,000.00 per facility for biodiesel blend.

(c) A contractual provision requiring the grant recipient to repay a portion of the grant if the grant recipient stops using the fuel delivery system to provide E85 fuel or biodiesel blend within 3 years of receiving the grant, as determined by the fund. The portion of the grant to be repaid shall be calculated by multiplying the amount of the grant by a fraction, the numerator of which is the number of days that the fuel delivery system was not used to provide E85 fuel or biodiesel blend during that 3-year period and the denominator of which is 1,095.

(d) A single business entity is not eligible for more than 15% of the total amount of grants awarded each year under this subsection.

(e) The total amount of grants awarded each year under this subsection to facilities located in the same county shall not exceed 15% of the total amount of grants awarded each year under this subsection.

(3) The fund shall create and administer a bulk plant matching grant program to provide incentives to owners and operators of bulk plants to convert existing fuel delivery systems and to create new fuel delivery systems designed to provide biodiesel blends.

(4) The bulk plant matching grant program shall provide for all the following:

(a) That a grant shall not exceed 50% of the costs to convert an existing fuel delivery system to provide biodiesel blend, not to exceed \$2,000.00 per bulk plant.

(b) That a grant shall not exceed 50% of the new construction costs to create a fuel delivery system to provide biodiesel blend, not to exceed \$15,000.00 per bulk plant.

(c) A contractual provision requiring the grant recipient to repay a portion of the grant if the grant recipient stops using the fuel delivery system to provide biodiesel blend within 3 years of receiving the grant, as determined by the fund. The portion of the grant to be repaid shall be calculated by multiplying the amount of the grant by a fraction, the numerator of which is the number of days that the fuel delivery system was not used to provide biodiesel blend during that 3-year period and the denominator of which is 1,095.

(5) The fund shall initially fund the service station matching grant program and the bulk plant matching grant program with a combined amount of \$500,000.00, which may include federal sources, to be distributed on or before September 30, 2007.

(6) As used in this section:

(a) "Biodiesel" means a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, and, in accordance with standards specified by the American society for testing and materials, designated B100, and meeting the requirements of D-6751, as approved by the department of agriculture.

(b) "Biodiesel blend" means a fuel comprised of a blend of biodiesel fuel with petroleum-based diesel fuel, suitable for use as a fuel in a compression-ignition internal combustion diesel engine.

(c) "Bulk plant" means that term as defined in section 2 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.

(d) "E85 fuel" means a fuel blend containing between 70% and 85% denatured fuel ethanol and gasoline suitable for use in a spark-ignition engine and that meets American society for testing and materials D-5798 specifications.

(e) "Facility" means an establishment at which gasoline is sold or offered for sale to the public.

**History:** Add. 2006, Act 274, Imd. Eff. July 7, 2006

**Popular Name:** Strategic Fund