

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 1104

93RD GENERAL ASSEMBLY

Reported from the Committee on Commerce, Energy and the Environment, March 16, 2006, with recommendation that the Senate Committee Substitute do pass.

5357S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 142.031, RSMo, and to enact in lieu thereof one new section relating to funds created to assist Missouri agricultural farmers, with an expiration date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 142.031, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 261.265, to read as follows:

261.265. 1. As used in this section the following terms shall
2 **mean:**

3 (1) "Biodiesel", fuel as defined in ASTM Standard D-6751 or its
4 subsequent standard specifications for biodiesel fuel (B100) blend stock
5 for distillate fuels;

6 (2) "Missouri qualified biodiesel producer", a facility that
7 produces biodiesel, is registered with the United States Environmental
8 Protection Agency according to the requirements of 40 CFR 79, and at
9 least fifty-one percent is owned by Missouri agricultural farmers
10 actively engaged in agricultural production for commercial purposes.

11 2. The "Missouri Farmers Biodiesel Incentive Fund" is hereby
12 created and subject to appropriations shall be used to provide
13 economic subsidies to Missouri qualified biodiesel producers pursuant
14 to this section. The director of the department of agriculture shall
15 administer the fund pursuant to this section.

16 3. A Missouri qualified biodiesel producer shall be eligible for a
17 monthly grant from the fund provided that fifty-one percent of the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 feedstock originates in the state of Missouri and that one hundred
19 percent of the feedstock originates in the United States. A Missouri
20 qualified biodiesel producer shall only be eligible for the grant for a
21 total of sixty months unless such producers during the sixty months
22 fail, due to a lack of appropriations, to receive the full amount from the
23 fund for which the producers were eligible, in which case such
24 producers shall continue to be eligible for up to twenty-four additional
25 months or until they have received the maximum amount of funding for
26 which such producers were eligible during the original sixty-month
27 time period. The amount of the grant is determined by calculating the
28 estimated gallons of qualified biodiesel produced during the preceding
29 month from Missouri agricultural products, as certified by the
30 department of agriculture, and applying such figure to the per-gallon
31 incentive credit established in this subsection. Each Missouri qualified
32 biodiesel producer shall be eligible for a total grant in any fiscal year
33 equal to thirty cents per gallon for the first fifteen million gallons of
34 qualified biodiesel produced from Missouri agricultural products in the
35 fiscal year plus ten cents per gallon for the next fifteen million gallons
36 of qualified biodiesel produced from Missouri agricultural products in
37 the fiscal year. All such qualified biodiesel produced by a Missouri
38 qualified biodiesel producer in excess of thirty million gallons shall not
39 be applied to the computation of a grant pursuant to this
40 subsection. The department of agriculture shall pay all grants for a
41 particular month by the fifteenth day after receipt and approval of the
42 application described in subsection 4 of this section.

43 4. In order for a Missouri qualified biodiesel producer to obtain
44 a grant from the fund, an application for such funds shall be received
45 no later than fifteen days following the last day of the month for which
46 the grant is sought. The application shall include:

47 (1) The location of the Missouri qualified biodiesel producer;

48 (2) The average number of citizens of Missouri employed by the
49 Missouri qualified biodiesel producer in the preceding month, if
50 applicable;

51 (3) The number of bushel equivalents of Missouri agricultural
52 commodities used by the Missouri qualified biodiesel producer in the
53 production of biodiesel in the preceding month;

54 (4) The number of gallons of qualified biodiesel the producer

55 manufactures during the month for which the grant is applied;

56 (5) A copy of the qualified biodiesel producer license required
57 pursuant to subsection 5 of this section, name and address of surety
58 company, and amount of bond to be posted pursuant to subsection 5 of
59 this section; and

60 (6) Any other information deemed necessary by the department
61 of agriculture to adequately ensure that such grants shall be made only
62 to Missouri qualified biodiesel producers.

63 5. The director of the department of agriculture, in consultation
64 with the department of revenue, shall promulgate rules and regulations
65 necessary for the administration of the provisions of this section.

66 6. Any rule or portion of a rule, as that term is defined in section
67 536.010, RSMo, that is created under the authority delegated in this
68 section shall become effective only if it complies with and is subject to
69 all of the provisions of chapter 536, RSMo, and, if applicable, section
70 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
71 and if any of the powers vested with the general assembly pursuant to
72 chapter 536, RSMo, to review, to delay the effective date, or to
73 disapprove and annul a rule are subsequently held unconstitutional,
74 then the grant of rulemaking authority and any rule proposed or
75 adopted after August 28, 2006, shall be invalid and void.

76 7. The provisions of this section shall expire on December 31,
77 2015.

[142.031. 1. As used in this section the following terms
2 shall mean:

3 (1) "Biodiesel", fuel as defined in ASTM Standard D-6751
4 or its subsequent standard specifications for biodiesel fuel (B100)
5 blend stock for distillate fuels;

6 (2) "Qualified biodiesel producer", a facility that produces
7 biodiesel, is registered with the United States Environmental
8 Protection Agency according to the requirements of 40 CFR 79, and
9 at least fifty-one percent is owned by agricultural producers
10 actively engaged in agricultural production for commercial
11 purposes.

12 2. The "Missouri Qualified Biodiesel Producer Incentive
13 Fund" is hereby created and subject to appropriations shall be used

14 to provide economic subsidies to Missouri qualified biodiesel
15 producers pursuant to this section. The director of the department
16 of agriculture shall administer the fund pursuant to this section.

17 3. A Missouri qualified biodiesel producer shall be eligible
18 for a monthly grant from the fund provided that fifty-one percent
19 of the feedstock originates in the state of Missouri and that one
20 hundred percent of the feedstock originates in the United States.
21 A Missouri qualified biodiesel producer shall only be eligible for the
22 grant for a total of sixty months unless such producers during the
23 sixty months fail, due to a lack of appropriations, to receive the full
24 amount from the fund for which the producers were eligible, in
25 which case such producers shall continue to be eligible for up to
26 twenty-four additional months or until they have received the
27 maximum amount of funding for which such producers were
28 eligible during the original sixty-month time period. The amount
29 of the grant is determined by calculating the estimated gallons of
30 qualified biodiesel produced during the preceding month from
31 Missouri agricultural products, as certified by the department of
32 agriculture, and applying such figure to the per-gallon incentive
33 credit established in this subsection. Each Missouri qualified
34 biodiesel producer shall be eligible for a total grant in any fiscal
35 year equal to thirty cents per gallon for the first fifteen million
36 gallons of qualified biodiesel produced from Missouri agricultural
37 products in the fiscal year plus ten cents per gallon for the next
38 fifteen million gallons of qualified biodiesel produced from Missouri
39 agricultural products in the fiscal year. All such qualified biodiesel
40 produced by a Missouri qualified biodiesel producer in excess of
41 thirty million gallons shall not be applied to the computation of a
42 grant pursuant to this subsection. The department of agriculture
43 shall pay all grants for a particular month by the fifteenth day
44 after receipt and approval of the application described in
45 subsection 4 of this section.

46 4. In order for a Missouri qualified biodiesel producer to
47 obtain a grant from the fund, an application for such funds shall be
48 received no later than fifteen days following the last day of the
49 month for which the grant is sought. The application shall include:

50 (1) The location of the Missouri qualified biodiesel producer;

51 (2) The average number of citizens of Missouri employed by
52 the Missouri qualified biodiesel producer in the preceding month,
53 if applicable;

54 (3) The number of bushel equivalents of Missouri
55 agricultural commodities used by the Missouri qualified biodiesel
56 producer in the production of biodiesel in the preceding month;

57 (4) The number of gallons of qualified biodiesel the
58 producer manufactures during the month for which the grant is
59 applied;

60 (5) A copy of the qualified biodiesel producer license
61 required pursuant to subsection 5 of this section, name and address
62 of surety company, and amount of bond to be posted pursuant to
63 subsection 5 of this section; and

64 (6) Any other information deemed necessary by the
65 department of agriculture to adequately ensure that such grants
66 shall be made only to Missouri qualified biodiesel producers.

67 5. The director of the department of agriculture, in
68 consultation with the department of revenue, shall promulgate
69 rules and regulations necessary for the administration of the
70 provisions of this section.

71 6. Any rule or portion of a rule, as that term is defined in
72 section 536.010, RSMo, that is created under the authority
73 delegated in this section shall become effective only if it complies
74 with and is subject to all of the provisions of chapter 536, RSMo,
75 and, if applicable, section 536.028, RSMo. This section and chapter
76 536, RSMo, are nonseverable and if any of the powers vested with
77 the general assembly pursuant to chapter 536, RSMo, to review, to
78 delay the effective date or to disapprove and annul a rule are
79 subsequently held unconstitutional, then the grant of rulemaking
80 authority and any rule proposed or adopted after August 28, 2002,
81 shall be invalid and void.]

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