

SECOND REGULAR SESSION

# SENATE BILL NO. 1104

93RD GENERAL ASSEMBLY

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INTRODUCED BY SENATORS CAUTHORN AND KLINDT.

Read 1st time February 27, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

5357S.011

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## 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 producers.

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*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Section A. Section 142.031, RSMo, is repealed and one new section  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 142.031, to read as follows:

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

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

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

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

15 3. A Missouri qualified biodiesel producer shall be eligible for a monthly  
16 grant from the fund provided that fifty-one percent of the feedstock originates in  
17 the state of Missouri and that one hundred percent of the feedstock originates in  
18 the United States. A Missouri qualified biodiesel producer shall only be eligible  
19 for the grant for a total of sixty months unless such producers during the sixty  
20 months fail, due to a lack of appropriations, to receive the full amount from the

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

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

- 43 (1) The location of the Missouri qualified biodiesel producer;
- 44 (2) The average number of citizens of Missouri employed by the Missouri  
45 qualified biodiesel producer in the preceding month, if applicable;
- 46 (3) The number of bushel equivalents of Missouri agricultural commodities  
47 used by the Missouri qualified biodiesel producer in the production of biodiesel  
48 in the preceding month;
- 49 (4) The number of gallons of qualified biodiesel the producer manufactures  
50 during the month for which the grant is applied;
- 51 (5) A copy of the qualified biodiesel producer license required pursuant  
52 to subsection 5 of this section, name and address of surety company, and amount  
53 of bond to be posted pursuant to subsection 5 of this section; and
- 54 (6) Any other information deemed necessary by the department of  
55 agriculture to adequately ensure that such grants shall be made only to Missouri  
56 qualified biodiesel producers.

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

60           6. Any rule or portion of a rule, as that term is defined in section 536.010,  
61 RSMo, that is created under the authority delegated in this section shall become  
62 effective only if it complies with and is subject to all of the provisions of chapter  
63 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter  
64 536, RSMo, are nonseverable and if any of the powers vested with the general  
65 assembly pursuant to chapter 536, RSMo, to review, to delay the effective date  
66 or to disapprove and annul a rule are subsequently held unconstitutional, then  
67 the grant of rulemaking authority and any rule proposed or adopted after August  
68 28, 2002, shall be invalid and void.

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Bill

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