

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1002**  
**94TH GENERAL ASSEMBLY**

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Reported from the Special Committee on Agri-Business March 15, 2007 with recommendation that House Committee Substitute for House Bill No. 1002 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

2494L.02C

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**AN ACT**

To repeal section 142.031, RSMo, and to enact in lieu thereof one new section relating to Missouri qualified biodiesel 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Section A. Section 142.031, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 142.031, to read as follows: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:

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

(2) "Missouri qualified biodiesel producer", a facility that produces biodiesel, is registered with the United States Environmental Protection Agency according to the requirements of 40 CFR 79, and:

(a) Is at least fifty-one percent owned by agricultural producers who are residents of this state and who are actively engaged in agricultural production for commercial purposes; or

(b) At least eighty percent of the feedstock used by the facility originates in the state of Missouri. For purposes of this section, "feedstock" means a Missouri agricultural product as defined in section 348.400, RSMo.

2. The "Missouri Qualified Biodiesel Producer Incentive Fund" is hereby created and subject to appropriations shall be used to provide economic subsidies to Missouri qualified

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

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

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

43         (3) The number of bushel equivalents of Missouri agricultural commodities **and**  
44 **nonMissouri agricultural commodities** used by the Missouri qualified biodiesel producer in  
45 the production of biodiesel in the preceding month;

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

48 (5) A copy of the qualified biodiesel producer license required pursuant to subsection  
49 5 of this section, name and address of surety company, and amount of bond to be posted pursuant  
50 to subsection 5 of this section; and

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

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

56 6. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that  
57 is created under the authority delegated in this section shall become effective only if it complies  
58 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section  
59 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers  
60 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the  
61 effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the  
62 grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be  
63 invalid and void.

64 7. This section shall expire on December 31, 2009. However, Missouri qualified  
65 biodiesel producers receiving any grants awarded prior to December 31, 2009, shall continue to  
66 be eligible for the remainder of the original sixty-month time period under the same terms and  
67 conditions of this section unless such producer during such sixty months failed, due to a lack of  
68 appropriations, to receive the full amount from the fund for which he or she was eligible. In such  
69 case, such producers shall continue to be eligible for up to twenty-four additional months or until  
70 they have received the maximum amount of funding for which they were eligible during the  
71 original sixty-month time period.

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