

FIRST REGULAR SESSION

HOUSE BILL NO. 1002

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FISHER.

Read 1st time February 27, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

2494L.01I

AN ACT

To repeal section 142.031, RSMo, and to enact in lieu thereof one new section relating to Missouri qualified biodiesel producers.

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Section A. Section 142.031, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 142.031, to read as follows: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 biodiesel producers pursuant to this section. The director of the department of agriculture shall administer the fund pursuant to this section.

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.

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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