

HOUSE BILL NO. 1648

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE JONES.

5095H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 142, RSMo, by adding thereto one new section relating to the Missouri qualified gaseous biofuel producer incentive fund.

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

Section A. Chapter 142, RSMo, is amended by adding thereto one new section, to be known as section 142.051, to read as follows:

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

(1) "BTU", British thermal unit of measurement to express the energy content of fuels;

(2) "Gaseous biofuel", methane-based fuel derived from bio-waste material, including animal waste, animal processing waste, pre- and post-consumer food waste, vegetative waste material, cardboard, paper waste material, and the like that are produced through an anaerobic digester process, with the exclusion of landfills, and subsequently injected into the natural gas pipeline grid for delivery to the market;

(3) "Gaseous biofuel certification", biofuel that meets commercially acceptable natural gas pipeline quality standards of the local market, that the flow meters used to determine the quantity of gaseous biofuel produced are industry standard and properly calibrated by a third-party professional engineer, and the readings have been taken by a qualified individual;

(4) "MMBTU", one million British thermal units;

(5) "Missouri qualified gaseous biofuel producer", any producer of gaseous biofuel whose principal place of business and facility for the anaerobic digester and biofuel upgrading is located within the state of Missouri and is registered with the United States

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.

18 Environmental Protection Agency according to the requirements of 40 CFR 79 and which
19 has made formal application, and conforms to the requirements of this section, and:

20 (a) Has registered with the department of agriculture by August 31, 2017;

21 (b) Has begun construction of the facility by November 31, 2017; and

22 (c) Has begun production of gaseous biofuel before December 31, 2018.

23 2. There is hereby created the "Missouri Qualified Gaseous Biofuel Producer
24 Incentive Fund" that shall be used to provide economic subsidies to Missouri qualified
25 gaseous biofuel producers. Upon appropriation, the director of the department of
26 agriculture shall administer the fund. Notwithstanding the provisions of section 33.080 to
27 the contrary, any moneys remaining in the fund at the end of the biennium shall not revert
28 to the credit of the general revenue fund. The state treasurer shall invest moneys in the
29 fund in the same manner as other funds are invested. Any interest and moneys earned on
30 such investments shall be credited to the fund.

31 3. A Missouri qualified gaseous biofuel producer shall be eligible for a monthly
32 grant from the fund, provided that, one hundred percent of the feedstock originates in the
33 United States. However, the director may waive the feedstock requirements on an annual
34 basis if the facility provides verification that adequate feedstock is not available. A
35 Missouri qualified gaseous biofuel producer shall only be eligible for the grant for a total
36 of sixty months unless such producer during the sixty months fails, due to a lack of
37 appropriations, to receive the full amount from the fund for which the producer was
38 eligible, in which case such producer shall continue to be eligible until he or she has
39 received the maximum amount of funding for which such producer was eligible during the
40 original sixty-month time period. The amount of the grant is determined by calculating
41 the estimated BTU of qualified gaseous biofuel produced during the preceding month from
42 feedstock, as certified by the department of agriculture, and applying such figure to the
43 per-BTU incentive credit established in this subsection. Each Missouri qualified gaseous
44 biofuel producer shall be eligible for a total grant in any fiscal year equal to two thousand
45 three hundred forty-four millionths cents per BTU for the first five million MMBTU of
46 qualified gaseous biofuel produced from feedstock in the fiscal year plus seven hundred
47 eighty-one millionths cents per BTU for the next five million MMBTU of qualified gaseous
48 biofuel produced from feedstock in the fiscal year. All such qualified gaseous biofuel
49 produced by a Missouri qualified gaseous biofuel producer in excess of ten million
50 MMBTU shall not be applied to the computation of a grant under this subsection. The
51 department of agriculture shall pay all grants for a particular month by the fifteenth day
52 after receipt and approval of the application described in subsection 7 of this section.

53 **7. In order for a Missouri qualified gaseous biofuel producer to obtain a grant from**
54 **the fund, an application for such funds shall be received no later than fifteen days**
55 **following the last day of the month for which the grant is sought. The application shall**
56 **include:**

57 **(1) The location of the Missouri qualified gaseous biofuel producer;**

58 **(2) The average number of residents of Missouri employed by the Missouri**
59 **qualified gaseous biofuel producer in the preceding month, if applicable;**

60 **(3) The number of ton equivalents of Missouri feedstock and out-of-state feedstock**
61 **used by the Missouri qualified gaseous biofuel producer in the production of gaseous**
62 **biofuel in the preceding month;**

63 **(4) The number of BTU of qualified gaseous biofuel the producer manufactures**
64 **during the month for which the grant is applied; and**

65 **(5) Any other information deemed necessary by the department of agriculture to**
66 **adequately ensure that such grants shall be made only to Missouri qualified gaseous biofuel**
67 **producers.**

68 **8. The director of the department of agriculture, in consultation with the**
69 **department of revenue, shall promulgate rules and regulations necessary for the**
70 **administration of the provisions of this section. Any rule or portion of a rule, as that term**
71 **is defined in section 536.010 that is created under the authority delegated in this section**
72 **shall become effective only if it complies with and is subject to all of the provisions of**
73 **chapter 536, and, if applicable, section 536.028. This section and chapter 536 are**
74 **nonseverable, and if any of the powers vested with the general assembly pursuant to**
75 **chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are**
76 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
77 **proposed or adopted after August 28, 2016, shall be invalid and void.**

78 **9. This section shall expire on December 31, 2018. However, Missouri qualified**
79 **gaseous biofuel producers receiving any grants awarded prior to December 31, 2018, shall**
80 **continue to be eligible for the remainder of the original sixty-month time period under the**
81 **same terms and conditions of this section unless such producer during such sixty months**
82 **failed, due to a lack of appropriations, to receive the full amount from the fund for which**
83 **he or she was eligible. In such case, such producers shall continue to be eligible until they**
84 **have received the maximum amount of funding for which they were eligible during the**
85 **original sixty-month time period.**

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