

SECOND REGULAR SESSION

SENATE BILL NO. 1008

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MUNZLINGER.

Read 1st time February 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6313S.01I

AN ACT

To amend chapter 142, RSMo, by adding thereto one new section relating to the Missouri qualified solid biomass fuel 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 142.061, to read as follows:

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

(1) "Missouri qualified solid biomass fuel producer", any producer of processed solid biomass engineered fiber fuel whose principal place of business and facility for production of processed solid biomass engineered fiber fuel is located within the state and is at least fifty-one percent owned by agricultural producers actively engaged in agricultural production for commercial purposes or forestry producers actively engaged in forestry production or the production of forestry industry residue as defined in section 135.300, and which has made formal application, posted a bond, and conformed to the requirements of this section;

(2) "Processed solid biomass engineered fiber fuel", any fuel derived from raw biomass feedstocks produced in this state that are changed from their original form and combined in a manufacturing process that can accommodate two or more independent raw biomass feedstocks and resulting in a solid fuel product with a heat value of at least eight thousand five hundred British Thermal Units per pound on a dry matter basis. Processed solid biomass engineered fiber fuel shall not include any solid biomass fuel that is produced solely from densification of a single raw biomass feedstock.

2. The "Missouri Qualified Solid Biomass Fuel Producer Incentive

22 Fund" is hereby created and, subject to appropriations, shall be used to
23 provide economic subsidies to Missouri qualified solid biomass fuel
24 producers under this section. The director of the department of
25 agriculture shall administer the fund under this section. The state
26 treasurer shall be custodian of the fund. In accordance with sections
27 30.170 and 30.180, the state treasurer may approve disbursements. The
28 fund shall be a dedicated fund and, upon appropriation, moneys in the
29 fund shall be used solely for the administration of this
30 section. Notwithstanding the provisions of section 33.080 to the
31 contrary, any moneys remaining in the fund at the end of the biennium
32 shall not revert to the credit of the general revenue fund. The state
33 treasurer shall invest moneys in the fund in the same manner as other
34 funds are invested. Any interest and moneys earned on such
35 investments shall be credited to the fund.

36 3. A Missouri qualified solid biomass fuel producer shall be
37 eligible for a monthly grant from the fund; except that, a Missouri
38 qualified solid biomass fuel producer shall only be eligible for the grant
39 for a total of sixty months unless such producer during those sixty
40 months failed, due to a lack of appropriations, to receive the full
41 amount from the fund for which they were eligible, in which case such
42 producers shall continue to be eligible until they have received the
43 maximum amount of funding for which they were eligible during the
44 original sixty-month time period. The amount of the grant is
45 determined by calculating the estimated tons of processed solid
46 biomass engineered fiber fuel to be produced for the succeeding
47 calendar month, as certified by the department of agriculture, and
48 applying such figure to the per-ton incentive credit established in this
49 subsection. Each Missouri qualified solid biomass fuel producer shall
50 be eligible for a total grant in any fiscal year equal to twenty dollars
51 per ton for the first thirty thousand tons of processed solid biomass
52 engineered fiber fuel in the fiscal year plus five dollars per ton for the
53 next thirty thousand tons of processed solid biomass engineered fiber
54 fuel produced in the fiscal year. All such processed solid biomass
55 engineered fiber fuel produced by a Missouri qualified solid biomass
56 fuel producer in excess of sixty thousand tons or not used for power
57 generation in Missouri shall not be applied to the computation of a
58 grant under this subsection. The department of agriculture shall pay

59 all grants for a particular month by the fifteenth day after receipt and
60 approval of the application described in subsection 4 of this section. If
61 actual production of processed solid biomass engineered fiber fuel
62 during a particular month either exceeds or is less than that estimated
63 by a Missouri qualified solid biomass fuel producer, the department of
64 agriculture shall adjust the subsequent monthly grant by paying an
65 additional amount or subtracting the amount in deficiency by using the
66 calculation described in this subsection.

67 4. In order for a Missouri qualified solid biomass fuel producer
68 to obtain a grant from the fund for a particular month, an application
69 for such funds shall be received no later than fifteen days prior to the
70 first day of the month for which the grant is sought. The application
71 shall include:

72 (1) The location of the Missouri qualified solid biomass fuel
73 producer;

74 (2) The average number of citizens of Missouri employed by the
75 Missouri qualified solid biomass fuel producer in the preceding
76 quarter, if applicable;

77 (3) The number of tons of Missouri generated raw feedstocks
78 used by the Missouri qualified solid biomass fuel producer in the
79 production of processed solid biomass engineered fiber fuel in the
80 preceding quarter;

81 (4) The number of tons of processed solid biomass engineered
82 fiber fuel the producer expects to manufacture during the month for
83 which the grant is applied;

84 (5) A copy of the qualified solid biomass fuel producer bonding
85 required under subsection 5 of this section, the name and address of
86 the surety company, and the amount of bond to be posted under
87 subsection 5 of this section; and

88 (6) Any other information deemed necessary by the department
89 of agriculture to adequately ensure that such grants shall be made only
90 to Missouri qualified solid biomass fuel producers.

91 5. The director of the department of agriculture, in consultation
92 with the department of revenue and the department of conservation,
93 shall promulgate rules and regulations necessary for the administration
94 of the provisions of this section. The director shall also establish
95 procedures for bonding Missouri qualified solid biomass fuel

96 **producers. Each Missouri qualified solid biomass fuel producer who**
97 **attempts to obtain moneys under this section shall be bonded in an**
98 **amount not to exceed the estimated maximum monthly grant to be**
99 **issued to such Missouri qualified solid biomass fuel producer.**

100 **6. Any rule or portion of a rule, as that term is defined in section**
101 **536.010, that is created under the authority delegated in this section**
102 **shall become effective only if it complies with and is subject to all of**
103 **the provisions of chapter 536 and, if applicable, section 536.028. This**
104 **section and chapter 536 are nonseverable, and if any of the powers**
105 **vested with the general assembly pursuant to chapter 536 to review, to**
106 **delay the effective date or to disapprove and annul a rule are**
107 **subsequently held unconstitutional, then the grant of rulemaking**
108 **authority and any rule proposed or adopted after August 28, 2016, shall**
109 **be invalid and void.**

110 **7. The provisions of this section shall expire on August 28, 2026.**

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Bill

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