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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 3442

03/08/2018 Authored by Backer, Hamilton and Miller  
The bill was read for the first time and referred to the Committee on Agriculture Policy

1.1 A bill for an act  
1.2 relating to agriculture; reducing the minimum production level for advanced biofuel  
1.3 production incentive payments; amending Minnesota Statutes 2016, section 41A.16,  
1.4 subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

1.7 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
1.8 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or  
1.9 less from the state border, raw materials may be sourced from within a 100-mile radius.  
1.10 Raw materials must be from agricultural or forestry sources or from solid waste. The facility  
1.11 must be located in Minnesota, must begin production at a specific location by June 30, 2025,  
1.12 and must not begin operating above ~~23,750~~ 1,500 MMbtu of quarterly advanced biofuel  
1.13 production before July 1, 2015. Eligible facilities include existing companies and facilities  
1.14 that are adding advanced biofuel production capacity, or retrofitting existing capacity, as  
1.15 well as new companies and facilities. Production of conventional corn ethanol and  
1.16 conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at  
1.17 least ~~23,750~~ 1,500 MMbtu of advanced biofuel quarterly.

1.18 (b) No payments shall be made for advanced biofuel production that occurs after June  
1.19 30, 2035, for those eligible biofuel producers under paragraph (a).

1.20 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility  
1.21 for payments under this section to an advanced biofuel facility at a different location.

1.22 (d) A producer that ceases production for any reason is ineligible to receive payments  
1.23 under this section until the producer resumes production.

- 2.1 (e) Renewable chemical production for which payment has been received under section  
2.2 41A.17, and biomass thermal production for which payment has been received under section  
2.3 41A.18, are not eligible for payment under this section.
- 2.4 (f) Biobutanol is eligible under this section.