

SECOND REGULAR SESSION

SENATE BILL NO. 770

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MUNZLINGER.

Pre-filed December 2, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5071S.011

AN ACT

To amend chapter 142, RSMo, by adding thereto one new section relating to economic subsidies for qualified gaseous biofuel producers.

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 142.041, to read as follows:

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

(1) "BTU of gaseous biofuel", British thermal unit of measurement to express the energy content of fuels. BTU is the expression of 1 BTU and use a conversion formula, as appropriate, that is published in the Federal Register as conversion factor for gaseous biofuel;

(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, and paper waste materials and similar materials that are produced through an anaerobic digester process, with the exclusion of landfills, that is 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 of gaseous biofuel", British thermal unit of measurement to express the energy content of fuels. MMBTU is the expression of 1 million BTU and use a conversion formula, as

22 appropriate, that it published in the Federal Register as conversion
23 factor for gaseous biofuel;

24 (5) "Missouri qualified gaseous biofuel producer", any producer
25 of gaseous biofuel whose principal place of business and facility for the
26 anaerobic digester and biofuel upgrading is located within the state of
27 Missouri and is registered with the United States Environmental
28 Protection Agency according to the requirements of 40 CFR 79 and
29 which has made formal application, and conforms to the requirements
30 of this section, and:

31 (a) Has registered with the department of agriculture by March
32 31, 2018;

33 (b) Has begun construction of the facility before July 31, 2018;
34 and

35 (c) Has begun production of gaseous biofuel before December 31,
36 2018.

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

47 3. A Missouri qualified gaseous biofuel shall be eligible for a
48 monthly grant from the fund provided that one hundred percent of the
49 feedstock originates in the United States. However, the director may
50 waive the feedstock requirements on an annual basis if the facility
51 provides verification that adequate feedstock is not available. A
52 Missouri qualified gaseous biofuel producer shall only be eligible for
53 the grant for a total of sixty months unless such producers during the
54 sixty months fail, due to a lack of appropriations, to receive the full
55 amount from the fund for which the producers were eligible, in which
56 case such producers shall continue to be eligible until they have
57 received the maximum amount of funding for which such producers
58 were eligible during the original sixty-month time period. The amount

59 of the grant is determined by calculating the estimated BTU of
60 qualified gaseous biofuel produced during the preceding month from
61 feedstock, as certified by the department of agriculture, and applying
62 such figure to the per-BTU incentive credit established in this
63 subsection. Each Missouri qualified gaseous biofuel producer shall be
64 eligible for a total grant in any fiscal year equal to two thousand three
65 hundred forty-four millionths cents per BTU for the first five million
66 MMBTU of qualified gaseous biofuel produced from feedstock in the
67 fiscal year plus seven hundred eighty-one millionths cents per BTU for
68 the next five million MMBTU of qualified biodiesel produced from
69 feedstock in the fiscal year. All such qualified gaseous biofuel
70 produced by a Missouri qualified gaseous biofuel producer in excess of
71 ten million MMBTU shall not be applied to the computation of a grant
72 pursuant to this subsection. The department of agriculture shall pay
73 all grants for a particular month by the fifteenth day after receipt and
74 approval of the application described in subsection 7 of this section.

75 4. In order for a Missouri qualified gaseous biofuel producer to
76 obtain a grant from the fund, an application for such funds shall be
77 received no later than fifteen days following the last day of the month
78 for which the grant is sought. The application shall include:

79 (1) The location of the Missouri qualified gaseous biofuel
80 producer;

81 (2) The average number of citizens of Missouri employed by the
82 Missouri qualified gaseous biofuel producer in the preceding month, if
83 applicable;

84 (3) The number of ton equivalents of Missouri feedstock and out-
85 of-state feedstock used by the Missouri qualified gaseous biofuel
86 producer in the production of gaseous biofuel in the preceding month;

87 (4) The number of BTU of qualified gaseous biofuel the producer
88 manufactures during the month for which the grant is applied;

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

92 5. The director of the department of agriculture, in consultation
93 with the department of revenue, shall promulgate rules and regulations
94 necessary for the administration of the provisions of this section. Any
95 rule or portion of a rule, as that term is defined in section 536.010 that

96 is created under the authority delegated in this section shall become
97 effective only if it complies with and is subject to all of the provisions
98 of chapter 536, and, if applicable, section 536.028. This section and
99 chapter 536 are nonseverable and if any of the powers vested with the
100 general assembly pursuant to chapter 536, to review, to delay the
101 effective date, or to disapprove and annul a rule are subsequently held
102 unconstitutional, then the grant of rulemaking authority and any rule
103 proposed or adopted after August 28, 2016, shall be invalid and void.

104 6. This section shall expire on December 31, 2018. However,
105 Missouri qualified gaseous biofuel producers receiving any grants
106 awarded prior to July 31, 2018, shall continue to be eligible for the
107 remainder of the original sixty-month time period under the same
108 terms and conditions of this section unless such producer during such
109 sixty months failed, due to a lack of appropriations, to receive the full
110 amount from the fund for which he or she was eligible. In such case,
111 such producers shall continue to be eligible until they have received
112 the maximum amount of funding for which they were eligible during
113 the original sixty-month time period.

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