

SECOND REGULAR SESSION

HOUSE BILL NO. 1863

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WHORTON, BERKOWITZ, SHOEMYER (9), MYERS,
BARNITZ, MERIDETH, BLACK (Co-sponsors), LIESE AND LEGAN.

Read 1st time February 7, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

3499L.011

AN ACT

To amend chapter 414, RSMo, by adding thereto one new section relating to the biodiesel incentive fund.

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

Section A. Chapter 414, RSMo, is amended by adding thereto one new section, to be
2 known as section 414.368, to read as follows:

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

2 (1) "Biodiesel", the mono alkyl esters of long chain fatty acids derived from
3 vegetable oils or animal fats, for use in compression-ignition (diesel) engines; such
4 specification is for pure (one hundred percent) biodiesel prior to use or blending with
5 diesel fuel;

6 (2) "Biodiesel blend", pure biodiesel blended with petrodiesel; biodiesel blends are
7 referred to as Bxx, with the xx indicating the amount of biodiesel in the blend. As an
8 example, a B20 blend is twenty percent by volume biodiesel and eighty percent by volume
9 petrodiesel;

10 (3) "Missouri biodiesel producer", any producer of biodiesel whose principal place
11 of business and facility for the fermentation and distillation of biodiesel is located within
12 the state of Missouri and which has made formal application, posted a bond, and
13 conformed to the requirements of this section, and who is also a new generation
14 cooperative.

15 (4) "New generation cooperative", a nonprofit cooperative association formed
16 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the
17 purpose of operating a development facility or a renewable fuel production facility, and
18 who is a majority owner of the cooperative.

19 **2. The "Missouri Biodiesel Incentive Fund" is hereby created and subject to**
20 **appropriations shall be used to provide economic subsidies to Missouri biodiesel producers**
21 **pursuant to this section. The director of the department of agriculture shall administer the**
22 **fund pursuant to this section.**

23 **3. A Missouri biodiesel producer shall be eligible for a monthly grant from the**
24 **fund, except that the producer shall only be eligible for the grant for a total of sixty**
25 **months. The amount of the grant is determined by calculating the estimated gallons of**
26 **biodiesel production to be produced from Missouri agricultural products for the**
27 **succeeding calendar month, as certified by the department of agriculture, and applying**
28 **such figure to the per-gallon incentive credit established in this subsection. Each Missouri**
29 **biodiesel producer shall be eligible for a total grant in any fiscal year equal to twenty cents**
30 **per gallon for the first twelve and one-half million gallons of biodiesel produced from**
31 **Missouri agricultural products in the fiscal year plus five cents per gallon for the next**
32 **twelve and one-half million gallons of biodiesel produced from Missouri agricultural**
33 **products in the fiscal year. All such biodiesel produced by a Missouri biodiesel producer**
34 **in excess of twenty-five million gallons shall not be applied to the computation of a grant**
35 **pursuant to this subsection. The department of agriculture shall pay all grants for a**
36 **particular month by the fifteenth day after receipt and approval of the application**
37 **described in subsection 4 of this section. If actual production of biodiesel during a**
38 **particular month either exceeds or is less than that estimated by a Missouri biodiesel**
39 **producer, the department of agriculture shall adjust the subsequent monthly grant by**
40 **paying additional amount or subtracting the amount in deficiency by using the calculation**
41 **described in this subsection.**

42 **4. In order for a Missouri biodiesel producer to obtain a grant from the fund for**
43 **a particular month, an application for such funds shall be received no later than fifteen**
44 **days prior to the first day of the month for which the grant is sought. The application shall**
45 **include:**

46 **(1) The location of the Missouri biodiesel producer;**

47 **(2) The average number of citizens of Missouri employed by the Missouri biodiesel**
48 **producer in the preceding quarter, if applicable;**

49 **(3) The number of bushels of Missouri agricultural commodities used by the**
50 **Missouri biodiesel producer in the production of biodiesel in the preceding quarter;**

51 **(4) The number of gallons of biodiesel the producer expects to manufacture during**
52 **the month for which the grant is applied;**

53 **(5) A copy of the biodiesel producer license required pursuant to subsection 5 of**
54 **this section, name and address of surety company, and amount of bond to be posted**

55 pursuant to subsection 5 of this section; and

56 (6) Any other information deemed necessary by the department of agriculture to
57 adequately ensure that such grants shall be made only to Missouri biodiesel producers.

58 5. The director of the department of agriculture, in consultation with the
59 department of revenue, shall promulgate rules and regulations necessary for the
60 administration of the provisions of this section. The director shall also establish
61 procedures for bonding Missouri biodiesel producers. Each Missouri biodiesel producer
62 who attempts to obtain moneys pursuant to this section shall be bonded in an amount not
63 to exceed the estimated maximum monthly grant to be issued to such Missouri biodiesel
64 producer.

65 6. No rule or portion of a rule promulgated under the authority of this section shall
66 become effective unless it has been promulgated pursuant to the provisions of chapter 536,
67 RSMo.