

SENATE BILL No. 71

By Senators Alley and Francisco

1-19

1 AN ACT concerning agriculture; relating to the Kansas department of
2 agriculture; requiring the secretary of agriculture to establish a division
3 of sustainable agriculture that shall apply for federal grant funds under
4 the greenhouse gas reduction fund to assist farmers in converting to
5 renewable energy and sustainable agriculture practices.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. (a) As used in this section:

9 (1) "Renewable natural gas plant" means a facility that converts
10 agricultural commodities to methane.

11 (2) "Sustainable agriculture district" means an improvement district
12 incorporated pursuant to K.S.A. 19-2753 et seq., and amendments thereto,
13 to provide means whereby producers of agricultural commodities can reap
14 economic benefits from renewable energy and sustainable agriculture
15 practices.

16 (3) "Sustainable ammonia or urea plant" means a facility that
17 produces ammonia or urea, has a capacity of less than 50,000 tons per year
18 and either:

19 (A) Does not consume methane as feedstock; or

20 (B) (i) consumes predominantly biomethane as feedstock; or

21 (ii) sequesters at least 60% of the carbon dioxide produced by
22 methane consumption.

23 (b) (1) On or before June 1, 2023, the Kansas department of
24 agriculture shall establish a division of sustainable agriculture.

25 (2) Such division of sustainable agriculture shall have the express
26 purpose of dispersing grants, loans, bond guarantees and other financial
27 and technical assistance to sustainable agriculture districts using funds
28 obtained by grants from the federal greenhouse gas reduction fund
29 established by 42 U.S.C. § 7434 for the construction and commissioning
30 of renewable natural gas plants or sustainable ammonia or urea plants, or a
31 combination of both.

32 (c) (1) The secretary of agriculture shall further create a nonprofit
33 organization called "the Kansas sustainable agriculture fund" that qualifies
34 as an eligible recipient within the meaning of 42 U.S.C. § 7434.

35 (2) Such nonprofit organization shall be designed to obtain funds
36 through federal grants under 42 U.S.C. § 7434.

1 (3) Such funds shall be used to provide capital, leverage private
2 capital and provide other forms of financial assistance to sustainable
3 agriculture districts for the construction and commissioning of renewable
4 natural gas plants or sustainable ammonia or urea plants, or a combination
5 of both.

6 Sec. 2. This act shall take effect and be in force from and after its
7 publication in the Kansas register.