

SECOND REGULAR SESSION

HOUSE BILL NO. 2231

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOUGHTON.

5226H.011

D. ADAM CRUMBLISS, Chief Clerk

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.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 **2. The “Missouri Qualified Solid Biomass Fuel Producer Incentive Fund” is hereby**
18 **created and, subject to appropriations, shall be used to provide economic subsidies to**
19 **Missouri qualified solid biomass fuel producers under this section. The director of the**
20 **department of agriculture shall administer the fund under this section. The state treasurer**
21 **shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state**
22 **treasurer may approve disbursements. The fund shall be a dedicated fund and, upon**
23 **appropriation, moneys in the fund shall be used solely for the administration of this**
24 **section. Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
25 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
26 **general revenue fund. The state treasurer shall invest moneys in the fund in the same**
27 **manner as other funds are invested. Any interest and moneys earned on such investments**
28 **shall be credited to the fund.**

29 **3. A Missouri qualified solid biomass fuel producer shall be eligible for a monthly**
30 **grant from the fund; except that, a Missouri qualified solid biomass fuel producer shall**
31 **only be eligible for the grant for a total of sixty months unless such producer during those**
32 **sixty months failed, due to a lack of appropriations, to receive the full amount from the**
33 **fund for which they were eligible, in which case such producers shall continue to be eligible**
34 **until they have received the maximum amount of funding for which they were eligible**
35 **during the original sixty-month time period. The amount of the grant is determined by**
36 **calculating the estimated tons of processed solid biomass engineered fiber fuel to be**
37 **produced for the succeeding calendar month, as certified by the department of agriculture,**
38 **and applying such figure to the per-ton incentive credit established in this subsection.**
39 **Each Missouri qualified solid biomass fuel producer shall be eligible for a total grant in**
40 **any fiscal year equal to twenty dollars per ton for the first thirty thousand tons of**
41 **processed solid biomass engineered fiber fuel in the fiscal year plus five dollars per ton for**
42 **the next thirty thousand tons of processed solid biomass engineered fiber fuel produced in**
43 **the fiscal year. All such processed solid biomass engineered fiber fuel produced by a**
44 **Missouri qualified solid biomass fuel producer in excess of sixty thousand tons or not used**
45 **for power generation in Missouri shall not be applied to the computation of a grant under**
46 **this subsection. The department of agriculture shall pay all grants for a particular month**
47 **by the fifteenth day after receipt and approval of the application described in subsection**
48 **4 of this section. If actual production of processed solid biomass engineered fiber fuel**
49 **during a particular month either exceeds or is less than that estimated by a Missouri**
50 **qualified solid biomass fuel producer, the department of agriculture shall adjust the**
51 **subsequent monthly grant by paying an additional amount or subtracting the amount in**
52 **deficiency by using the calculation described in this subsection.**

53 **4. In order for a Missouri qualified solid biomass fuel producer to obtain a grant**
54 **from the fund for a particular month, an application for such funds shall be received no**
55 **later than fifteen days prior to the first day of the month for which the grant is sought.**

56 **The application shall include:**

57 **(1) The location of the Missouri qualified solid biomass fuel producer;**

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

60 **(3) The number of tons of Missouri generated raw feedstocks used by the Missouri**
61 **qualified solid biomass fuel producer in the production of processed solid biomass**
62 **engineered fiber fuel in the preceding quarter;**

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

65 **(5) A copy of the qualified solid biomass fuel producer bonding required under**
66 **subsection 5 of this section, the name and address of the surety company, and the amount**
67 **of bond to be posted under subsection 5 of this section; and**

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

71 **5. The director of the department of agriculture, in consultation with the**
72 **department of revenue and the department of conservation, shall promulgate rules and**
73 **regulations necessary for the administration of the provisions of this section. The director**
74 **shall also establish procedures for bonding Missouri qualified solid biomass fuel producers.**
75 **Each Missouri qualified solid biomass fuel producer who attempts to obtain moneys under**
76 **this section shall be bonded in an amount not to exceed the estimated maximum monthly**
77 **grant to be issued to such Missouri qualified solid biomass fuel producer.**

78 **6. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
79 **created under the authority delegated in this section shall become effective only if it**
80 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
81 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
82 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
83 **date or to disapprove and annul a rule are subsequently held unconstitutional, then the**
84 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2016,**
85 **shall be invalid and void.**

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

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