

CHAPTER 137
SENATE BILL No. 388*

AN ACT establishing the Kansas qualified biodiesel fuel producer incentive fund.

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

Section 1. As used in sections 1 through 4, and amendments thereto:

(a) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from vegetable oils or animal fats and that meets American society for testing and materials specification D6751-02 for biodiesel fuel (B100) blend stock for distillate fuels.

(b) "Kansas qualified biodiesel fuel producer" means any producer of biodiesel fuel whose principal place of business and facility for the production of biodiesel fuel are located within the state of Kansas and who has made formal application to and conformed to the requirements by the department of revenue pursuant to this act.

(c) "Secretary" means the secretary of the department of revenue of the state of Kansas.

(d) "Kansas qualified biodiesel fuel producer incentive fund" means a fund created in section 3, and amendments thereto, from which producer incentives shall be provided pursuant to this act to Kansas qualified biodiesel fuel producers.

Sec. 2. On April 1, 2007, the director of accounts and reports shall transfer \$437,500 from the state economic development initiatives fund to the Kansas qualified biodiesel fuel producer incentive fund. If sufficient moneys are not available in the state economic development initiatives fund for such transfer on April 1, 2007, then the director of accounts and reports shall transfer on such date the amount available in the state economic development initiatives fund in accordance with this section and shall transfer on such date, or as soon thereafter as moneys are available therefor, the amount equal to the insufficiency from the state general fund to the Kansas qualified biodiesel fuel producer incentive fund. On July 1, 2007, and quarterly thereafter, the director of accounts and reports shall transfer \$875,000 from the state economic development initiatives fund to the Kansas qualified biodiesel fuel producer incentive fund. If sufficient moneys are not available in the state economic development initiatives fund for such transfer on July 1, 2007, and on the first day of any calendar quarter thereafter, in any such fiscal year, then the director of accounts and reports shall transfer on such date the amount available in the state economic development initiatives fund in accordance with this section and shall transfer on such date, or as soon thereafter as moneys are available therefor, the amount equal to the insufficiency from the state general fund to the Kansas qualified biodiesel fuel producer incentive fund.

Sec. 3. (a) There is hereby created in the state treasury the Kansas qualified biodiesel fuel producer incentive fund.

(b) All moneys in the Kansas qualified biodiesel fuel producer incentive fund shall be expended by the secretary of the department of revenue for the payment of producer incentives for the production of biodiesel fuel under the provisions of this act.

(c) All moneys remaining in the Kansas qualified biodiesel fuel producer incentive fund upon the expiration of this act shall be credited by the state treasurer to the state economic development initiatives fund.

Sec. 4. (a) A Kansas qualified biodiesel fuel producer shall be paid a production incentive for the production of biodiesel fuel in the amount of \$.30 for each gallon of biodiesel fuel sold by the producer. The incentive shall be payable to the Kansas qualified biodiesel fuel producer from the Kansas qualified biodiesel fuel producer incentive fund.

(b) The Kansas qualified biodiesel fuel producer shall file for the production incentive beginning July 1, 2007, and quarterly thereafter, on a form furnished by the department of revenue. The form shall require the producer to file such information as the secretary of revenue may require by rules and regulations, but shall include information relating to the original production records and invoices issued to the biodiesel fuel blender at the time of delivery, showing the total number of gallons of biodiesel fuel sold to the biodiesel fuel blender for the previous three months.

(c) The secretary of revenue may adopt such rules and regulations

necessary to administer the provisions of this act, including the development of a procedure for the payment of the production incentive. Such payment procedure shall include the development procedure for the payment of the production incentive on a pro rata basis.

Sec. 5. The provisions of sections 1 through 4, and amendments thereto, shall expire on July 1, 2016.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 18, 2006.
