

Introduced by

1 A BILL for an Act to create and enact chapter 17-09 of the North Dakota Century Code, relating
2 to biodiesel plant production incentives; and to provide a continuing appropriation.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** Chapter 17-09 of the North Dakota Century Code is created and enacted
5 as follows:

6 **17-09-01. Biodiesel plant production incentives.**

- 7 1. A biodiesel plant that was not in operation in this state before July 1, 2011, and
8 which has a production capacity of more than one million gallons [3785412 liters]
9 may receive up to one million five hundred thousand dollars in production
10 incentives from the biodiesel production incentive fund for production in a fiscal
11 year.
- 12 2. The office of renewable energy and energy efficiency shall determine the amount
13 of production incentives to which a plant is entitled under this section by multiplying
14 the number of gallons of biodiesel produced by the plant and marketed to a
15 distributor or wholesaler by five cents. The office shall forward the production
16 incentives to the plant upon receipt of an affidavit by the plant indicating that the
17 biodiesel is to be sold. The affidavit must be accompanied by an affidavit from a
18 wholesaler, retailer, or consumer affirming a sales transaction.

19 **17-09-02. Biodiesel production incentives - Payments for increased production.**

20 If a biodiesel plant that was in operation in this state before July 1, 2011, and which has a
21 production capacity of more than one million gallons [3785412 liters], increases its production
22 by the lesser of ten million gallons [37854118 liters] or fifty percent of its production capacity
23 during any twelve-month period beginning after July 31, 2011, that plant is eligible to receive
24 biodiesel production incentive payments under this chapter on its increased production.

1 **17-09-03. Subsidy limitations.** The office of renewable energy and energy efficiency
2 may not distribute more than one million five hundred thousand dollars per eligible facility
3 annually in payments under this chapter and may not distribute any payment that would create
4 a negative biodiesel production incentive fund balance. If the incentive fund balance is
5 insufficient to pay all valid incentive requests received in any quarter, the funds available must
6 be paid out on a pro rata basis and obligations may not be carried forward. An eligible facility
7 may not receive state payments that exceed a cumulative total of seven million five hundred
8 thousand dollars or for longer than five years. Change in ownership of an eligible facility does
9 not affect the seven million five hundred thousand dollar cumulative total allowed to be paid to
10 that eligible facility under this section or the five-year limitation contained in this section.

11 **17-09-04. Biodiesel production incentive fund - Continuing appropriation.** There
12 is created in the state treasury a special fund known as the biodiesel production incentive fund.
13 All moneys in the fund are appropriated on a continuing basis to the office of renewable energy
14 and energy efficiency for use in paying biodiesel production incentives under this chapter.