

Introduced by

Legislative Management

(Energy Development and Transmission Committee)

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 as  
5 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 which  
8 has a production capacity of more than one million gallons [3785412 liters] may  
9 receive up to one million five hundred thousand dollars in production incentives from  
10 the biodiesel production incentive fund for production in a fiscal year.

11 2. The office of renewable energy and energy efficiency shall determine the amount of  
12 production incentives to which a plant is entitled under this section by multiplying the  
13 number of gallons of biodiesel produced by the plant and marketed to a distributor or  
14 wholesaler by five cents. The office shall forward the production incentives to the plant  
15 upon receipt of an affidavit by the plant indicating that the biodiesel is to be sold. The  
16 affidavit must be accompanied by an affidavit from a wholesaler, retailer, or consumer  
17 affirming a sales transaction.

18 **17-09-02. Biodiesel production incentives - Payments for increased production.**

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

1        **17-09-03. Subsidy limitations.**

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

12        **17-09-04. Biodiesel production incentive fund - Continuing appropriation.**

13        There is created in the state treasury a special fund known as the biodiesel production  
14 incentive fund. All moneys in the fund are appropriated on a continuing basis to the office of  
15 renewable energy and energy efficiency for use in paying biodiesel production incentives under  
16 this chapter.