

**FIRST ENGROSSMENT
with Conference Committee Amendments**

ENGROSSED HOUSE BILL NO. 1515

Introduced by

Representatives Monson, Porter

Senator Olafson

1 A BILL for an Act to create and enact a new section to chapter 20.1-02, a new section to
2 chapter 54-17 and, if Senate Bill No. 2288 of the sixtieth legislative assembly becomes
3 effective, a new section to chapter 54-17 of the North Dakota Century Code, relating to
4 establishment of a private land open to sportsmen biomass demonstration project, the duty of
5 the industrial commission to establish a biomass incentive and research program, and to
6 establish a biomass incentive and research fund; to provide a transfer; and to provide an
7 appropriation.

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

9 **SECTION 1.** A new section to chapter 20.1-02 of the North Dakota Century Code is
10 created and enacted as follows:

11 **Private land open to sportsmen program - Biomass demonstration project.** The
12 department may develop and make available, as part of the broader support for establishment
13 cost-share provided through the industrial commission, a special demonstration component of
14 the private land open to sportsmen program to support perennial grass stand establishment of
15 participating acres in return for public access to hunting and adherence to conservation best
16 practices, including postseason harvest, minimum stubble height, and nonannual harvest. The
17 demonstration project may include an evaluation component to assess the effects and
18 compatibility of perennial biomass harvest with the habitat and public access objectives of the
19 private land open to sportsmen program.

20 **SECTION 2.** If Senate Bill No. 2288 of the sixtieth legislative assembly does not
21 become effective, a new section to chapter 54-17 of the North Dakota Century Code is created
22 and enacted as follows:

23 **Biomass incentive and research program.** The industrial commission may:

- 1 1. Establish an incentive program to assist the agricultural community to demonstrate
2 the production, harvest, storage, and delivery of a biomass feedstock on a
3 commercial scale to a private sector end-user.
- 4 2. Establish a project on a scale sufficient to enable at least one group of cooperating
5 agricultural producers, and preferably two groups in different regions of the state,
6 to produce, harvest, store, and deliver biomass feedstock to an end-user at
7 commercial scale.
- 8 3. Give priority on a perennial grass feedstock due to the state's resource potential,
9 although residual feedstocks are eligible for consideration.
- 10 4. Establish procedures for competitive applications by cooperating agricultural
11 producers organized through a limited liability corporation, cooperative, or other
12 appropriate ownership structure, that can demonstrate in their application the
13 commitment of a commercial end-user to purchase the biomass produced and
14 adequate technical support to accomplish the biomass production, harvest,
15 storage, and delivery to that end-user.
- 16 5. Provide funds for incentives, including producer payments to provide income
17 support during the critical biomass stand establishment period of two years without
18 harvest, in the case of native grasses, or other perennial biomass crops.
- 19 6. Ensure that activities enumerated in this section qualify for the agriculture
20 partnership in assisting community expansion program.
- 21 7. Arrange for the provision of technical assistance services determined by
22 participating producers in their application to the industrial commission.
- 23 8. Provide incentive support targeted to producer entities that successfully apply to
24 the industrial commission rather than the commercial biomass end-user.
- 25 9. Provide funds for a front-end engineering and design study for a cellulosic ethanol
26 and nanowhiskers project.
- 27 10. Work in cooperation with the game and fish department to establish a private land
28 open to sportsmen program biomass demonstration project.

29 **SECTION 3.** If Senate Bill No. 2288 is approved by the legislative assembly and
30 becomes effective, a new section to chapter 54-17 of the North Dakota Century Code is
31 created and enacted as follows:

- 1 **Biomass incentive and research program.** The industrial commission in coordination
2 with the renewable energy council may:
- 3 1. Establish an incentive program to assist the agricultural community to demonstrate
4 the production, harvest, storage, and delivery of a biomass feedstock on a
5 commercial scale to a private sector end user.
 - 6 2. Establish a project on a scale sufficient to enable at least one group of cooperating
7 agricultural producers, and preferably two groups in different regions of the state,
8 to produce, harvest, store, and deliver biomass feedstock to an end user at
9 commercial scale.
 - 10 3. Give priority on a perennial grass feedstock due to the state's resource potential,
11 although residual feedstocks are eligible for consideration.
 - 12 4. Establish procedures for competitive applications by cooperating agricultural
13 producers organized through a limited liability corporation, cooperative, or other
14 appropriate ownership structure, that can demonstrate in their application the
15 commitment of a commercial end user to purchase the biomass produced and
16 adequate technical support to accomplish the biomass production, harvest,
17 storage, and delivery to that end user.
 - 18 5. Provide funds for incentives, including producer payments to provide income
19 support during the critical biomass stand establishment period of two years without
20 harvest, in the case of native grasses, or other perennial biomass crops.
 - 21 6. Ensure that activities enumerated in this section qualify for the agriculture
22 partnership in assisting community expansion program.
 - 23 7. Arrange for the provision of technical assistance services determined by
24 participating producers in their application to the industrial commission.
 - 25 8. Provide incentive support targeted to producer entities that successfully apply to
26 the industrial commission rather than the commercial biomass end user.
 - 27 9. Provide funds for a front-end engineering and design study for a cellulosic ethanol
28 and nanowhiskers project.
 - 29 10. Work in cooperation with the game and fish department to establish a private land
30 open to sportsmen program biomass demonstration project.

1 **SECTION 4.** A new section to chapter 54-17 of the North Dakota Century Code is
2 created and enacted as follows:

3 **Biomass incentive and research fund.** The biomass incentive and research fund is a
4 special fund in the state treasury. The industrial commission shall establish the guidelines and
5 procedures for use of the fund. All earnings of the fund must be credited to the fund.

6 **SECTION 5. TRANSFER - APPROPRIATION.** The industrial commission may transfer
7 up to \$1,000,000 from the beginning farmer revolving loan fund located at the Bank of North
8 Dakota and up to \$1,000,000 from the partnership in assisting community expansion fund to
9 the biomass incentive and research fund. The funds are appropriated for the biennium
10 beginning July 1, 2007, and ending June 30, 2009.

11 **SECTION 6. ORGANIC ADVISORY BOARD - GRANT.** The industrial commission
12 may grant up to \$30,000 from the biomass incentive and research fund to the agriculture
13 commissioner to support organic agriculture initiatives and programs during the biennium
14 beginning July 1, 2007, and ending June 30, 2009.