
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1317 Session of
2008

INTRODUCED BY WAUGH, WOZNIAK, PUNT, BOSCOLA, TOMLINSON, KITCHEN,
FERLO, MADIGAN, O'PAKE, ROBBINS, ERICKSON, GORDNER, RHOADES
AND MELLOW, MARCH 20, 2008

REFERRED TO AGRICULTURE AND RURAL AFFAIRS, MARCH 20, 2008

AN ACT

1 Providing incentives to persons who plant and harvest bioenergy
2 crops to be used exclusively to produce cellulosic ethanol as
3 an alternative motor vehicle fuel; and making an
4 appropriation.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Pennsylvania
9 Farms to Fuels Initiatives Act.

10 Section 2. Program.

11 (a) Establishment.--To encourage agricultural operations to
12 plant and harvest bioenergy crops, the Pennsylvania Farms to
13 Fuels Initiative is established. The purpose of the Pennsylvania
14 Farms to Fuels Initiative is to encourage the production of
15 those bioenergy crops approved by the Pennsylvania Secretary of
16 Agriculture, which will both preserve the soil, air and water of
17 this Commonwealth and serve as the basic material for production
18 of cellulosic ethanol.

(b) Bioenergy crop transition incentive payment.--Bioenergy crop transition incentive payments may be available to bioenergy crop growers only if the purposes set forth in subsection (a) are achieved. For each acre of growing land upon which a bioenergy crop is harvested, a farmer shall receive a bioenergy crop transition incentive payment of \$150 for the first year's harvest, \$100 for the second year's harvest and \$50 for the third year's harvest. No participant may receive more than \$100,000 in the aggregate.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Bioenergy crop." A perennial tree or plant native to the United States or another perennial plant as determined by the Pennsylvania Secretary of Agriculture that can be grown to provide raw renewable biomass energy or biofuels. The term does not include any crop that the secretary determines to be invasive or noxious or has the potential to become invasive or noxious on a regional basis as determined by the secretary, in consultation with appropriate Federal or State departments.

Section 4. Eligibility.

(a) Eligible applicant.--Those eligible for the Pennsylvania Farms to Fuels Initiative are:

(1) A farmer, or business, that falls under the definition of "agricultural operations" as defined under section 1702-E of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(2) Any agricultural operation participating in the Resource Enhancement and Protection (REAP) tax credit program

1 established under Article VII-E of the Tax Reform Code of
2 1971.

3 (b) Program.--The department shall develop an application
4 and establish a process by which interested parties may apply
5 for the bioenergy crop transition incentive payments.

6 (c) Application requirements.--All applications shall be
7 submitted to the Department of Agriculture. All applications
8 shall include the following information:

9 (1) the name and location of the agricultural operation
10 seeking the bioenergy crop transition incentive payment;

11 (2) the principal owner or owners of the agricultural
12 operation seeking the bioenergy crop transition incentive
13 payment;

14 (3) the type of bioenergy crop the agricultural
15 operation will plant;

16 (4) the number of acres that will be planted with the
17 bioenergy crop; and if more than one crop is to be planted at
18 an agricultural operation, the acreage for each crop; and

19 (5) the date the agricultural operation plans to plant
20 the bioenergy crop and the expected date the crop is ready to
21 be harvested for use in the production of cellulosic ethanol.

22 (d) Selection criteria.--When making a determination as to
23 which agricultural operations shall receive bioenergy crop
24 transition incentive payments available under this act, the
25 Secretary of Agriculture shall consider these factors:

26 (1) the likelihood that the project will be viable,
27 which will take into account the number of acres to be
28 planted with a bioenergy crop;

29 (2) the number of other applicants within the
30 applicant's particular county;

1 (3) proximity to a biofuel processing facility; and
2 (4) that the operator has a current conservation plan
3 consistent with USDA-NCRS soil, water and nutrient standards.

4 (e) Contractual obligation.--The Department of Agriculture
5 shall draft a contract for agricultural operations chosen to
6 receive the bioenergy crop transition incentive payment. The
7 contract shall require that the agricultural operation:

8 (1) grow one or more bioenergy crop;

9 (2) have a current conservation plan consistent with
10 USDA-NCRS soil, water and nutrient standards; and

11 (3) sell the bioenergy crop when it is ready for harvest
12 to an organization that produces biofuels.

13 Section 5. Funding.

14 (a) Appropriation.--The sum of \$10,000,000, or as much
15 thereof as may be necessary, is hereby appropriated to the
16 Department of Agriculture to carry out the provisions of this
17 act with up to 2% of that amount used for the cost of
18 administering the program. The department may contract out the
19 administration services of the provisions contained in this act.
20 The department shall write guidelines to implement this program.

21 (b) Technical assistance.--Ten percent of the funds
22 appropriated under this section shall be transferred to the
23 Conservation District Fund for distribution to conservation
24 districts that provide technical assistance for the
25 implementation of this act.

26 (c) Annual report.--The Department of Agriculture shall
27 annually prepare a report for the General Assembly that lists
28 the total amount of bioenergy crop transition incentive payments
29 distributed, the number and name of grant recipients, and the
30 total number of acres planted with bioenergy crops under the

1 program. The report shall be due one year after the adoption of
2 this section, and every December 31 thereafter.

3 Section 6. Effective date.

4 This act shall take effect immediately.