

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 698 Session of 2009

INTRODUCED BY WAUGH, ALLOWAY, BOSCOLA, BROWNE, FERLO, GREENLEAF, KITCHEN, LEACH, MELLOW, MUSTO, O'PAKE, RAFFERTY, ROBBINS, STACK, STOUT, TOMLINSON, WARD, M. WHITE AND YAW, APRIL 2, 2009

REFERRED TO AGRICULTURE AND RURAL AFFAIRS, APRIL 2, 2009

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. Definitions.

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

14 "Bioenergy crop." A perennial tree or plant native to the
15 United States or another perennial plant as determined by the
16 Secretary of Agriculture that can be grown to provide raw
17 renewable biomass energy or biofuels. The term does not include
18 any crop that the secretary determines to be invasive or noxious

1 or has the potential to become invasive or noxious on a regional
2 basis as determined by the secretary, in consultation with
3 appropriate Federal or State departments.

4 "Program." The Pennsylvania Farms to Fuels Initiative
5 established in this act.

6 Section 3. Pennsylvania Farms to Fuels Initiative.

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

14 (b) Bioenergy crop transition incentive payment.--Bioenergy
15 crop transition incentive payments may be available to bioenergy
16 crop growers only if the purposes set forth in subsection (a)
17 are achieved. For each acre of growing land upon which a
18 bioenergy crop is harvested, a farmer shall receive a bioenergy
19 crop transition incentive payment of \$150 for the first year's
20 harvest, \$100 for the second year's harvest and \$50 for the
21 third year's harvest. No participant may receive more than
22 \$100,000 in the aggregate.

23 Section 4. Eligibility.

24 (a) Eligible applicant.--A farmer or business operating an
25 "agricultural operation" as defined under section 1702-E of the
26 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
27 of 1971, is eligible for the program.

28 (b) Development of application.--The department shall
29 develop an application and establish a process by which
30 interested parties may apply for the bioenergy crop transition

1 incentive payments.

2 (c) Application requirements.--All applications shall be
3 submitted to the Department of Agriculture. All applications
4 shall include the following information:

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

7 (2) the principal owner or owners of the agricultural
8 operation seeking the bioenergy crop transition incentive
9 payment;

10 (3) the type of bioenergy crop the agricultural
11 operation will plant;

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

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

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

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

25 (2) the number of other applicants within the
26 applicant's particular county;

27 (3) proximity to a biofuel processing facility; and

28 (4) that the operator has and is implementing a current
29 conservation plan consistent with United States Department of
30 Agriculture, Natural Resources Conservation Service soil,

1 water and nutrient standards.

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

6 (1) grow one or more bioenergy crop;

7 (2) have a current conservation plan consistent with
8 United States Department of Agriculture, Natural Resources
9 Conservation Service soil, water and nutrient standards; and

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

12 Section 5. Guidelines.

13 The department shall write guidelines to implement the
14 program and shall publish them as a statement of policy in the
15 Pennsylvania Bulletin.

16 Section 6. Funding.

17 (a) Appropriation.--The sum of \$10,000,000, or as much
18 thereof as may be necessary, is hereby appropriated to the
19 Department of Agriculture to carry out the provisions of this
20 act and not more than 2% of that amount may be used for the cost
21 of administering the program. The department may contract out
22 the administration services of the provisions contained in this
23 act.

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

29 (c) Annual report.--The Department of Agriculture shall
30 annually prepare a report for the General Assembly that lists

1 the total amount of bioenergy crop transition incentive payments
2 distributed, the number and name of grant recipients, and the
3 total number of acres planted with bioenergy crops under the
4 program. The report shall be due one year after the adoption of
5 this section, and every December 31 thereafter.

6 Section 7. Effective date.

7 This act shall take effect immediately.