

By: Jackson, Mike

S.B. No. 1102

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a program by the Department of Agriculture to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 2, Agriculture Code, is amended by adding Chapter 22 to read as follows:

CHAPTER 22. AGRICULTURAL BIOMASS INCENTIVE PROGRAM

Sec. 22.001. DEFINITION. In this chapter, "qualified agricultural biomass" means agricultural residues that are of a type that historically have been burned in open fields in the area from which they are derived. The term:

(1) includes:

(A) field and seed crop residues, including straws from rice and wheat; and

(B) fruit and nut crop residues, including orchard and vineyard pruning and removals; and

(2) does not include urban and forest wood products.

Sec. 22.002. AGRICULTURAL BIOMASS GRANTS. (a) The department shall establish a program to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy to provide an incentive for the construction of facilities for that purpose to:

(1) promote economic development;

1 (2) encourage the use of renewable sources in the
2 production of energy; and

3 (3) reduce air pollution caused by the burning of
4 agricultural biomass in open fields.

5 (b) A farmer is entitled to receive a grant in the amount of
6 \$10 for each green ton of qualified agricultural biomass provided
7 by the farmer to a facility that:

8 (1) is located in this state;

9 (2) was constructed on or after June 30, 2005;

10 (3) converts qualified agricultural biomass to
11 energy;

12 (4) uses the best available emissions control
13 technology, considering the technical practicability and economic
14 reasonableness of reducing or eliminating the air contaminant
15 emissions resulting from the facility;

16 (5) maintains its emissions control equipment in good
17 working order; and

18 (6) is in compliance with its operating permit issued
19 by the Texas Commission on Environmental Quality under Chapter 382,
20 Health and Safety Code.

21 (c) Notwithstanding Subsection (b), the commissioner by
22 rule may authorize the making of a grant for providing a green ton
23 of a type or source of qualified agricultural biomass in an amount
24 that is greater than the amount provided by that subsection if the
25 commissioner determines that a grant in a greater amount is
26 necessary to provide an adequate incentive to convert that type or
27 source of qualified agricultural biomass to energy.

1 (d) The Public Utility Commission of Texas and the Texas
2 Commission on Environmental Quality shall assist the department as
3 necessary to enable the department to determine whether a facility
4 meets the requirements of this section for purposes of eligibility
5 of farmers for grants under this chapter.

6 (e) To receive a grant under this chapter, a farmer must
7 file an application with the department on a form prescribed by the
8 department. The form must require the farmer to provide the
9 information necessary to determine whether the farmer is entitled
10 to receive a grant and the amount of the grant to which the farmer is
11 entitled.

12 (f) The department shall provide for the distribution of
13 grant money under this chapter to eligible farmers. Grant money
14 must be distributed to eligible farmers in the order in which
15 applications for the grants are received. The department shall
16 make grants not less often than quarterly, subject to
17 appropriations.

18 Sec. 22.003. RULES. The commissioner, in consultation with
19 the Public Utility Commission of Texas and the Texas Commission on
20 Environmental Quality, shall adopt rules to implement this chapter.

21 SECTION 2. (a) Not later than December 1, 2005, the
22 commissioner of agriculture, in consultation with the Public
23 Utility Commission of Texas and the Texas Commission on
24 Environmental Quality, shall adopt rules to implement Chapter 22,
25 Agriculture Code, as added by this Act.

26 (b) Beginning not later than January 1, 2006, the Department
27 of Agriculture shall be prepared to make grants under Chapter 22,

S.B. No. 1102

1 Agriculture Code, as added by this Act, to farmers who provide
2 qualified agricultural biomass to facilities that convert biomass
3 to energy.

4 SECTION 3. This Act takes effect September 1, 2005.