



February 19, 2010

**ENGROSSED
SENATE BILL No. 299**

DIGEST OF SB 299 (Updated February 17, 2010 9:53 am - DI 77)

Citations Affected: IC 15-11.

Synopsis: Agricultural biomass infrastructure grants. Changes the name of the E85 fueling station grant fund to the agricultural biomass infrastructure grant fund. Authorizes the department of agriculture to award grants from the agricultural biomass infrastructure grant fund for certain infrastructure used for the production or distribution of biofuels from biomass. Adds certain definitions. Makes changes to the definition of a qualified expense. Provides that the amount for a grant for certain infrastructure used for the production or distribution of biofuels may not exceed the lesser of: (1) 50% of the recipient's qualified investment; or (2) \$100,000. Makes related changes.

Effective: January 1, 2011.

Hershman, Head, Breaux, Waterman
(HOUSE SPONSORS — GRUBB, LEHE)

January 11, 2010, read first time and referred to Committee on Energy and Environmental Affairs.

January 21, 2010, reported favorably — Do Pass.

January 25, 2010, read second time, ordered engrossed.

January 26, 2010, engrossed.

January 28, 2010, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 2, 2010, read first time and referred to Committee on Agriculture and Rural Development.

February 18, 2010, amended, reported — Do Pass.

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February 19, 2010

Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

ENGROSSED SENATE BILL No. 299

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 15-11-2-3, AS AMENDED BY P.L.71-2009,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2011]: Sec. 3. The department shall do the following:
4 (1) Provide administrative and staff support for the following:
5 (A) The state fair board for purposes of carrying out the
6 director's duties under IC 15-13-5.
7 (B) The Indiana corn marketing council for purposes of
8 administering the duties of the director under IC 15-15-12.
9 (C) The Indiana organic peer review panel under IC 15-15-8.
10 (D) The Indiana dairy industry development board for
11 purposes of administering the duties of the director under
12 IC 15-18-5.
13 (E) The Indiana land resources council under IC 15-12-5.
14 (F) The Indiana grain buyers and warehouse licensing agency
15 under IC 26-3-7.
16 (G) The Indiana grain indemnity corporation under IC 26-4-3.
17 (H) The division.

ES 299—LS 6704/DI 116+



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- 1 (1) The ~~E85 fueling station~~ **agricultural biomass**
- 2 **infrastructure** grant program under IC 15-11-11.
- 3 (2) Administer the election of state fair board members under
- 4 IC 15-13-5.
- 5 (3) Administer state programs and laws promoting agricultural
- 6 trade.
- 7 (4) Administer state livestock or agriculture marketing grant
- 8 programs.
- 9 (5) Administer economic development efforts for agriculture by
- 10 doing the following:
- 11 (A) Promoting value added agricultural resources.
- 12 (B) Marketing Indiana agriculture to businesses
- 13 internationally.
- 14 (C) Assisting Indiana agricultural businesses with developing
- 15 partnerships with the Indiana economic development
- 16 corporation.
- 17 (D) Soliciting private funding for selective economic
- 18 development and trade initiatives.
- 19 (E) Providing for the orderly economic development and
- 20 growth of Indiana's agricultural economy.
- 21 (F) Facilitating the use of biomass and algae production
- 22 systems to generate renewable energy.

23 SECTION 2. IC 15-11-11-0.3 IS ADDED TO THE INDIANA
 24 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2011]: **Sec. 0.3. As used in this chapter,**
 26 **"biofuels" refers to biomass converted to liquid or gaseous fuels.**

27 SECTION 3. IC 15-11-11-0.7 IS ADDED TO THE INDIANA
 28 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2011]: **Sec. 0.7. As used in this chapter,**
 30 **"biomass" refers to agricultural based sources of renewable**
 31 **energy, including the following:**

- 32 (1) **Agricultural crops.**
- 33 (2) **Agricultural wastes and residues.**
- 34 (3) **Wood and wood byproducts, including the following:**
 - 35 (A) **Wood residue.**
 - 36 (B) **Forest thinning.**
 - 37 (C) **Mill residue wood.**
- 38 (4) **Animal wastes.**
- 39 (5) **Animal byproducts.**
- 40 (6) **Aquatic plants.**
- 41 (7) **Algae.**

42 SECTION 4. IC 15-11-11-3, AS ADDED BY P.L.2-2008,

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1 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2011]: Sec. 3. As used in this chapter, "location" refers
3 to one (1) or more parcels of land that:

- 4 (1) have a common access to a public highway; and
- 5 (2) are or would appear to the reasonable ~~person~~ **individual**
6 making an observation from a public highway to be part of the
7 same business.

8 SECTION 5. IC 15-11-11-4.3 IS ADDED TO THE INDIANA
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JANUARY 1, 2011]: **Sec. 4.3. As used in this chapter,**
11 **"person" means:**

- 12 (1) **an individual;**
- 13 (2) **an agricultural producer;**
- 14 (3) **a partnership;**
- 15 (4) **a corporation;**
- 16 (5) **a limited liability company; or**
- 17 (6) **an unincorporated association.**

18 SECTION 6. IC 15-11-11-4.7 IS ADDED TO THE INDIANA
19 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JANUARY 1, 2011]: **Sec. 4.7. As used in this chapter,**
21 **"project" refers to the production or distribution of biofuels**
22 **through the use of a renewable energy system infrastructure.**

23 SECTION 7. IC 15-11-11-5, AS ADDED BY P.L.2-2008,
24 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2011]: Sec. 5. As used in this chapter, "qualified
26 investment" refers to an ordinary and usual expense that is incurred:

- 27 (1) after June 30, 2007, to do either of the following:
- 28 (†) **(A)** Purchase any part of a renewable fuel compatible
29 fueling station for the purpose of:
- 30 (A) **(i)** installing the new renewable fuel compatible fuel
31 station at a location on which a fueling station is not located;
32 or
- 33 (B) **(ii)** converting an existing fueling station that is not a
34 renewable fuel compatible fueling station into a fueling
35 station that is a renewable fuel compatible fueling station.
- 36 (‡) **(B)** Refit any part of a fueling station that is not renewable
37 fuel compatible as a renewable fuel compatible fueling station,
38 including the costs of cleaning storage tanks and piping to
39 remove petroleum sludge and other contaminants; **or**
- 40 (2) **after December 31, 2009, for the installation of a**
41 **renewable energy system infrastructure that uses commercial**
42 **technologies to produce or distribute biofuels. It does not**

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- include a cost or expense for:**
- (A) research and development;**
- (B) land acquisition;**
- (C) agricultural tillage equipment;**
- (D) salaries; or**
- (E) other noninfrastructure purposes determined ineligible by the department.**

SECTION 8. IC 15-11-11-7, AS ADDED BY P.L.91-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 7. (a) Subject to subsection (c), the department may award a grant under this chapter to a person or unit that:

- (1) makes a qualified investment and
- ~~(2)~~ places the qualified investment in service in Indiana for the dispensing of E85 base fuel into the fuel tanks of motor vehicles;
- or**
- (2) places a qualified investment in service in Indiana for the production or distribution of biofuels.**

(b) A recipient of a grant awarded under this chapter must comply with any guidelines developed by the department and the office of energy and defense development.

(c) The department may not award more than one (1) grant under this chapter for a:

- (1) renewable fuel compatible fueling station at a location; or**
- (2) project.**

SECTION 9. IC 15-11-11-8, AS ADDED BY P.L.91-2008, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 8. (a) Subject to ~~subsection~~ **subsections (b) and (c)**, the department and the office of energy and defense development shall determine the amount of each grant awarded under this chapter.

(b) The amount of a grant awarded under this chapter for a **renewable fuel compatible fueling station at a location** may not exceed the lesser of the following:

- (1) The amount of the grant recipient's qualified investment for the location.
- (2) Twenty thousand dollars (\$20,000).

(c) A grant awarded under this chapter for a project must be awarded on a competitive basis and may not exceed the lesser of:

- (1) fifty percent (50%) of the grant recipient's qualified investment for the project; or**
- (2) one hundred thousand dollars (\$100,000).**

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1 (c) **(d)** The amount of a grant awarded under this chapter for a
2 location **or project** may be less than the amount of the grant recipient's
3 qualified investment for the location **or project**.
4 SECTION 10. IC 15-11-11-11, AS ADDED BY P.L.2-2008,
5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2011]: Sec. 11. (a) The ~~E85 fueling station~~ **agricultural**
7 **biomass infrastructure** grant fund is established to provide grants
8 under this chapter.
9 (b) The fund consists of appropriations from the general assembly.
10 (c) The treasurer of state shall invest the money in the fund not
11 currently needed to meet the obligations of the fund in the same
12 manner as other public funds may be invested.
13 (d) Money in the fund at the end of a state fiscal year does not revert
14 to the state general fund but remains in the fund to be used exclusively
15 for purposes of this chapter.
16 (e) Money in the fund is continuously appropriated for the purposes
17 of this chapter.

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COMMITTEE REPORT

Madam President: The Senate Committee on Energy and Environmental Affairs, to which was referred Senate Bill No. 299, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 299 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 9, Nays 0.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred Senate Bill 299, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete line 38.

Page 3, line 41, delete "2010" and insert "**2009**".

and when so amended that said bill do pass.

(Reference is to SB 299 as printed January 22, 2010.)

PFLUM, Chair

Committee Vote: yeas 12, nays 0.

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