

JES:ty

12/16/2008

1 **AN ACT** *to repeal* 66.1103 (2) (k) 18. and 93.46 (3); *to renumber* 560.126 (1) to (4);
2 *to amend* 93.46 (2) (a) and 560.126 (1) (d); and *to create* 93.46 (2) (b) 4m. and 5m.
3 and 560.126 (1) of the statutes; **relating to:** financial assistance related to bioenergy
4 feedstocks, biorefineries, and conversion to biomass energy.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill draft was prepared for the Joint Legislative Council's Special Committee on Domestic Biofuels. The bill draft is based upon the committee's instruction at its November 16, 2008 meeting to expand the applicability of relevant state financial assistance programs, as needed, to ensure that the programs support the establishment, production, harvest, storage, and transport of bioenergy feedstocks; the conversion of ethanol production plants to biomass energy for process heat; and the development and construction of biorefineries.

The draft clarifies that the industrial revenue bond program, the agricultural diversification grant program, and the renewable energy grants and loan program apply to these types of projects, as described in the SECTION comments below.

5 **SECTION 1.** 66.1103 (2) (k) 18. of the statutes is repealed.

COMMENT: This provision affects the definition of "projects" eligible for financing with industrial revenue bonds. Current subd. 18. includes in these projects "alcohol fuel production facilities". The repeal of subd. 18. clarifies that biorefineries that produce other types of fuel are eligible "projects", as all biorefineries are included in the projects covered under current subd. 1., which states:

66.1103 (2) (k) 1. Assembling, fabricating, manufacturing, mixing or processing facilities for any products of agriculture, forestry, mining or manufacture, even though the products may require further treatment before delivery to the ultimate consumer;

6 **SECTION 2.** 93.46 (2) (a) of the statutes is amended to read:

1 93.46 (2) (a) The department shall make agricultural and forestry research and
2 development grants. The department may provide grants to fund demonstration projects,
3 feasibility analyses and applied research directed toward new or alternative technologies and
4 practices that will stimulate agricultural and forestry development and economic activity.

COMMENT: This provision expands the agricultural diversification grant
 program to include forestry-related research and development grants and
 authority. The department may only award grants under this subsection
 if the grant is for a project conducted in this state that meets one or more
 of the purposes specified in sub. (2) (b).

5 **SECTION 3.** 93.46 (2) (b) 4m. and 5m. of the statutes are created to read:

6 93.46 (2) (b) 4m. Diversification and expansion of the production, processing and
7 distribution of forestry products that are used to produce alternative fuels, heat, or electricity.

8 5m. Commercial application of new technologies or practices related to the production
9 of alternative fuels, heat, or electricity from forestry products.

COMMENT: This SECTION establishes two types of forestry-related
 projects that are eligible for an agricultural diversification grant. These
 new purposes are based on the following two purposes for grants under
 this program under current law relating to agricultural products:

 93.46 (2) (b) (intro.) The department may not award a grant
 under this subsection unless the grant is for a project conducted
 in this state that has at least one of the following purposes:

 ...

 4. Diversification and expansion of the production, processing,
 and distribution of agricultural products.

 5. Commercial application of new technologies or practices
 related to agricultural products.

10 **SECTION 4.** 93.46 (3) of the statutes is repealed.

COMMENT: This SECTION repeals s. 93.46 (3), as agricultural
 diversification grants are no longer made under this subsection.

11 **SECTION 5.** 560.126 (1) to (4) of the statutes are renumbered 560.126 (2) to (5).

12 **SECTION 6.** 560.126 (1) of the statutes is created to read:

560.126 (1) In this section, “biorefinery” means a facility, including equipment and processes, that converts biomass into fuels and products and may produce electricity.

COMMENT: This definition is added to the renewable energy grants and loans program, a.k.a., the Wisconsin energy independence fund. It is based on the definition of “biorefinery” in sec. 9001 (7) in the 2008 Farm Bill.

SECTION 7. 560.126 (1) (d) of the statutes is amended to read:

560.126 (1) (d) The construction of one or more cellulosic ethanol production plants
biorefineries.

COMMENT: This provision establishes that the construction of any type of biorefinery is eligible for a grant or loan under the program, irrespective of the type of fuel produced or if fuel production is not the primary purpose of the facility.

(END)