

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 517**

(SENATE AUTHORS: SAXHAUG, Tomassoni, Rosen, Weber and Dibble)

DATE	D-PG	OFFICIAL STATUS
02/02/2015	193	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
02/16/2015	315	Author added Dibble
02/23/2015	374a	Comm report: To pass as amended and re-refer to Environment and Energy
04/07/2015	1479a	Comm report: To pass as amended and re-refer to Finance See HF846, Art. 2, Sec. 57-61 (vetoed) See SF5, Art. 2, Sec. 57-61 (First Special Session)

A bill for an act

relating to agriculture; creating an advanced biofuel production incentive program; establishing a renewable chemical production incentive program; establishing a biomass production incentive program; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 41A; 103F.

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

Section 1. **41A.13** DEFINITIONS.

(a) For the purposes of sections 41A.13 to 41A.17, the terms defined in this section have the meanings given them.

(b) "Advanced biofuels" has the meaning given in section 239.051, subdivision 1a.

(c) "Biomass thermal production" means the generation of energy for commercial heat or industrial process heat from a cellulosic material or other material composed of forestry or agricultural feedstocks for a new or expanding capacity facility or a facility that is displacing existing use of fossil fuel after the effective date of this section.

(d) "Cellulosic biomass" means material primarily made up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

(e) "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural or forestry resources.

(f) "Commissioner" means the commissioner of agriculture.

(g) "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that are either interseeded into living cash crops or planted on agricultural fields during fallow periods for seasonal cover and conservation purposes.

(h) "MMbtu" means one million British thermal units.

2.1 (i) "Perennial crops" means agriculturally produced plants that are known to be  
2.2 noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at  
2.3 least three years at the location where the plants are being cultivated. Biomass from alfalfa  
2.4 produced in a two-year rotation shall be considered a perennial crop.

2.5 (j) "Renewable chemical" means a chemical with biobased content as defined in  
2.6 section 41A.105, subdivision 1a.

2.7 **Sec. 2. [41A.14] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

2.8 (a) A facility eligible for payment under this program must source at least 80 percent  
2.9 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,  
2.10 raw materials may be sourced from within a 100-mile radius. Raw materials must be from  
2.11 agricultural or forestry sources or from solid waste. The production facility must be  
2.12 located in Minnesota, must begin production at a specific location by June 30, 2025, and  
2.13 must not begin operation above 95,000 MMbtu of annual biofuel production before July 1,  
2.14 2015. Eligible facilities include existing companies and facilities that are adding advanced  
2.15 biofuel production capacity, or retrofitting existing capacity, as well as new companies  
2.16 and facilities. Production of conventional corn ethanol and conventional biodiesel is not  
2.17 eligible. Advanced biofuel facilities must produce at least 30,000 MMbtu a year to be  
2.18 eligible for the program.

2.19 (b) The commissioner shall make payments to eligible producers of advanced  
2.20 biofuel. For the purpose of this section, an entity that holds a controlling interest in more  
2.21 than one advanced biofuel facility is considered a single eligible producer. The amount  
2.22 of the payment for each eligible producer's annual production is \$2.1053 per MMbtu  
2.23 for advanced biofuel production from cellulosic biomass, and \$1.053 per MMbtu for  
2.24 advanced biofuel production from sugar or starch at a specific location for ten years after  
2.25 the start of production. Cellulosic biofuel facilities utilizing crop residues, other than  
2.26 cellulosic biofuel using corn kernel fiber, or biogas, shall derive at least ten percent of total  
2.27 energy production from perennial crops or biomass from cover crops in the first year of  
2.28 receiving production incentives, and in the third year, at least 30 percent of total energy  
2.29 production shall be derived from perennial crops or biomass from cover crops, and in the  
2.30 fifth year, at least 50 percent of total energy production shall be derived from perennial  
2.31 crops or biomass from cover crops and maintain at least 50 percent for the remainder of  
2.32 the production incentive payment period. All forestry-derived cellulosic biomass must  
2.33 be produced using Minnesota state biomass harvesting guidelines or the equivalent. All  
2.34 biomass from brushlands must be produced using Minnesota brushland harvesting biomass  
2.35 harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that come from

3.1 land parcels greater than 160 acres must be certified by the Forest Stewardship Council,  
3.2 Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from  
3.3 parcels of 160 acres or less and federal land must be harvested by a Minnesota-certified  
3.4 master logger or the equivalent and have a forest stewardship plan.

3.5 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a  
3.6 responsible biomass sourcing plan for approval by the commissioner prior to applying for  
3.7 payments under this section. The commissioner shall make the plan publicly available.

3.8 The plan must:

3.9 (1) provide a detailed explanation for how agricultural cellulosic biomass will be  
3.10 produced and managed in a way that preserves soil quality, does not increase soil and  
3.11 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts  
3.12 on wildlife habitat, and reduces greenhouse gas emissions;

3.13 (2) include the producer's approach to verifying that biomass suppliers are following  
3.14 the plan;

3.15 (3) discuss how new technologies and practices that are not yet commercially viable  
3.16 may be encouraged and adopted during the life of the facility, and how the producer will  
3.17 encourage continuous improvement during the life of the project;

3.18 (4) include specific numeric goals and timelines for making progress;

3.19 (5) require agronomic practices that result in a positive NRCS Soil Conditioning  
3.20 Index score for acres from which biomass from corn stover will be harvested; and

3.21 (6) include biennial soil sampling to verify maintained or increased levels of soil  
3.22 organic matter.

3.23 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives  
3.24 payments under this section shall submit an annual report on the producer's responsible  
3.25 biomass sourcing plan to the commissioner by January 15 each year. The report must  
3.26 include data on progress made by the producer in meeting specific goals laid out in the  
3.27 plan. The commissioner shall make the report publicly available. The commissioner  
3.28 shall perform an annual review of submitted reports and make a determination whether  
3.29 the producer is following the plan and meeting the criteria in paragraph (c) based on the  
3.30 reports submitted. The commissioner may take appropriate steps, including reducing or  
3.31 ceasing payments until the producer is in compliance with the plan.

3.32 (e) No payments shall be made for advanced biofuel production that occurs after  
3.33 June 30, 2035, for those eligible biofuel producers under paragraph (b). An eligible  
3.34 producer of advanced biofuel shall not transfer the producer's eligibility for payments  
3.35 under this section to an advanced biofuel facility at a different location.

4.1 (f) Total payments under this section to an eligible biofuel producer in a fiscal year  
4.2 may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total  
4.3 payments under this section to all eligible biofuel producers in a fiscal year may not  
4.4 exceed the amount necessary for 17,100,000 MMBtu of biofuel production.

4.5 (g) By the last day of October, January, April, and July, each eligible biofuel producer  
4.6 shall file a claim for payment for advanced biofuel production during the preceding three  
4.7 calendar months. An eligible biofuel producer that files a claim under this paragraph shall  
4.8 include a statement of the eligible biofuel producer's total advanced biofuel production in  
4.9 Minnesota during the quarter covered by the claim. For each claim and statement of total  
4.10 advanced biofuel production filed under this paragraph, the volume of advanced biofuel  
4.11 production must be examined by an independent certified public accountant licensed under  
4.12 chapter 326A, in accordance with Statements on Standards for Attestation Engagements  
4.13 established by the American Institute of Certified Public Accountants.

4.14 (h) Payments must be made November 15, February 15, May 15, and August 15.  
4.15 A separate payment must be made for each claim filed.

4.16 (i) Any producer that ceases production for any reason is ineligible to receive  
4.17 payments under the program until they begin producing again.

4.18 (j) Renewable chemical production for which payment has been received under  
4.19 section 41A.15, and biomass thermal production for which payment has been received  
4.20 under section 41A.16, is not eligible for payment under this section.

4.21 **Sec. 3. [41A.15] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

4.22 (a) A facility eligible for payment under this program must source at least 80  
4.23 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1),  
4.24 from Minnesota. If a facility is sited 50 miles or less from the state border, biobased  
4.25 content may be sourced from within a 100-mile radius. Biobased content must be from  
4.26 agricultural or forestry sources or from solid waste. The production facility must be  
4.27 located in Minnesota, must begin production at a specific location by June 30, 2025, and  
4.28 must not begin production of 3,000,000 pounds of chemicals annually before January  
4.29 1, 2015. Eligible facilities include existing companies and facilities that are adding  
4.30 production capacity, or retrofitting existing capacity, as well as new companies and  
4.31 facilities. Renewable chemical facilities must produce at least 3,000,000 pounds per year  
4.32 to be eligible for the program. Renewable chemicals produced through processes that are  
4.33 fully commercial before January 1, 2000, are not eligible.

4.34 (b) The commissioner shall make payments to eligible producers of renewable  
4.35 chemicals located in the state. For the purpose of this subdivision, an entity that holds a

5.1 controlling interest in more than one renewable chemical production facility is considered a  
5.2 single eligible producer. The amount of the payment for each producer's annual production  
5.3 is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic  
5.4 sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific  
5.5 location for ten years after the start of production. All forestry-derived cellulosic biomass  
5.6 must be produced using Minnesota state biomass harvesting guidelines or the equivalent.  
5.7 All cellulosic biomass from brushlands must be produced using Minnesota brushland  
5.8 harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic  
5.9 biomass that come from land parcels greater than 160 acres must be certified by the Forest  
5.10 Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System.  
5.11 Uncertified land from parcels of 160 acres or less and federal land must be harvested by a  
5.12 Minnesota-certified master logger or the equivalent and have a forest stewardship plan.  
5.13 An eligible facility producing renewable chemicals using agricultural cellulosic biomass  
5.14 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural  
5.15 biomass that is derived from perennial crops or from acres where cover crops are used.

5.16 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a  
5.17 responsible biomass sourcing plan to the commissioner prior to applying for payments  
5.18 under this section. The plan must:

5.19 (1) provide a detailed explanation for how agricultural cellulosic biomass will be  
5.20 produced and managed in a way that preserves soil quality, does not increase soil and  
5.21 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts  
5.22 on wildlife habitat, and reduces greenhouse gas emissions;

5.23 (2) include the producer's approach to verifying that biomass suppliers are following  
5.24 the plan;

5.25 (3) discuss how new technologies and practices that are not yet commercially viable  
5.26 may be encouraged and adopted during the life of the facility, and how the producer will  
5.27 encourage continuous improvement during the life of the project; and

5.28 (4) include specific numeric goals and timelines for making progress.

5.29 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives  
5.30 payments under this section shall submit an annual report on the producer's responsible  
5.31 biomass sourcing plan to the commissioner by January 15 each year. The report must  
5.32 include data on progress made by the producer in meeting specific goals laid out in the  
5.33 plan. The commissioner shall make the report publicly available. The commissioner  
5.34 shall perform an annual review of submitted reports and is authorized to make a  
5.35 determination that the producer is not following the plan based on the reports submitted.

6.1 The commissioner may take appropriate steps, including reducing or ceasing payments  
6.2 until the producer is in compliance with the plan.

6.3 (e) No payments shall be made for renewable chemical production that occurs after  
6.4 June 30, 2035, for those eligible renewable chemical producers under paragraph (b). An  
6.5 eligible producer of renewable chemicals shall not transfer the producer's eligibility for  
6.6 payments under this section to a renewable chemical facility at a different location.

6.7 (f) Total payments under this section to an eligible renewable chemical producer in  
6.8 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable  
6.9 chemical production. Total payments under this section to all eligible renewable chemical  
6.10 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of  
6.11 renewable chemical production.

6.12 (g) By the last day of October, January, April, and July, each eligible renewable  
6.13 chemical producer shall file a claim for payment for renewable chemical production  
6.14 during the preceding three calendar months. An eligible renewable chemical producer  
6.15 that files a claim under this paragraph shall include a statement of the eligible producer's  
6.16 total renewable chemical production in Minnesota during the quarter covered by the  
6.17 claim. For each claim and statement of total renewable chemical production filed under  
6.18 this paragraph, the volume of renewable chemical production must be examined by an  
6.19 independent certified public accountant licensed under chapter 326A, in accordance  
6.20 with Statements on Standards for Attestation Engagements established by the American  
6.21 Institute of Certified Public Accountants.

6.22 (h) Payments must be made November 15, February 15, May 15, and August 15.  
6.23 A separate payment must be made for each claim filed.

6.24 (i) Any producer that ceases production for any reason is ineligible to receive  
6.25 payments under the program until they begin producing again.

6.26 (j) Advanced biofuel production for which payment has been received under section  
6.27 41A.14, and biomass thermal production for which payment has been received under  
6.28 section 41A.16, is not eligible for payment under this section.

6.29 **Sec. 4. [41A.16] BIOMASS THERMAL PRODUCTION INCENTIVE.**

6.30 (a) A facility eligible for payment under this program must source at least 80 percent  
6.31 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,  
6.32 raw materials may be sourced from within a 100-mile radius. Raw materials must be from  
6.33 agricultural or forestry sources. The production facility must be located in Minnesota and  
6.34 must not begin before July 1, 2015. Eligible facilities include existing companies and  
6.35 facilities that are adding production capacity, or retrofitting existing capacity, as well as

7.1 new companies and facilities. Biomass thermal production facilities must produce at least  
7.2 1,000 MMbtu per year to be eligible for the program.

7.3 (b) The commissioner shall make payments to eligible producers of biomass thermal  
7.4 located in the state that have begun production at a specific location by June 30, 2025.  
7.5 For the purpose of this subdivision, an entity that holds a controlling interest in more than  
7.6 one biomass thermal production facility is considered a single eligible producer. The  
7.7 amount of the payment for each producer's annual production is \$5.00 per MMbtu of  
7.8 biomass thermal production produced at a specific location for ten years after the start of  
7.9 production. All forestry-derived cellulosic biomass must be produced using Minnesota  
7.10 state biomass harvesting guidelines or the equivalent. All biomass from brushland must  
7.11 be produced using Minnesota brushland harvesting biomass guidelines or the equivalent.  
7.12 Forestry-derived cellulosic biomass that come from land parcels greater than 160 acres  
7.13 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative,  
7.14 or American Tree Farm. Uncertified land from parcels of 160 acres or less and federal  
7.15 land must be harvested by a Minnesota-certified master logger or the equivalent and  
7.16 have a forest stewardship plan. An eligible facility producing biomass thermal using  
7.17 agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMbtu  
7.18 produced from agricultural biomass that is derived from perennial crops or from acres  
7.19 where cover crops are used.

7.20 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a  
7.21 responsible biomass sourcing plan to the commissioner prior to applying for payments  
7.22 under this section. The plan must:

7.23 (1) provide a detailed explanation for how agricultural cellulosic biomass will be  
7.24 produced and managed in a way that preserves soil quality, does not increase soil and  
7.25 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts  
7.26 on wildlife habitat, and reduces greenhouse gas emissions;

7.27 (2) include the producer's approach to verifying that biomass suppliers are following  
7.28 the plan;

7.29 (3) discuss how new technologies and practices that are not yet commercially viable  
7.30 may be encouraged and adopted during the life of the facility, and how the producer will  
7.31 encourage continuous improvement during the life of the project; and

7.32 (4) include specific numeric goals and timelines for making progress.

7.33 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives  
7.34 payments under this section shall submit an annual report on the producer's responsible  
7.35 biomass sourcing plan to the commissioner by January 15 each year. The report must  
7.36 include data on progress made by the producer in meeting specific goals laid out in the

8.1 plan. The commissioner shall make the report publicly available. The commissioner  
8.2 shall perform an annual review of submitted reports and is authorized to make a  
8.3 determination that the producer is not following the plan based on the reports submitted.  
8.4 The commissioner may take appropriate steps, including reducing or ceasing payments  
8.5 until the producer is in compliance with the plan.

8.6 (e) No payments shall be made for biomass thermal production that occurs after June  
8.7 30, 2035, for those eligible biomass thermal producers under paragraph (b). A producer of  
8.8 biomass thermal production shall not transfer the producer's eligibility for payments under  
8.9 this section to a biomass thermal production facility at a different location.

8.10 (f) Total payments under this section to an eligible thermal producer in a fiscal year  
8.11 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total  
8.12 payments under this section to all eligible thermal producers in a fiscal year may not  
8.13 exceed the amount necessary for 150,000 MMbtu of total thermal production.

8.14 (g) An eligible facility may blend a cellulosic feedstock with other fuels in the  
8.15 biomass thermal production facility, but only the percentage attributable to cellulosic  
8.16 material listed is eligible to receive the producer payment.

8.17 (h) By the last day of October, January, April, and July, each producer shall file a  
8.18 claim for payment for biomass thermal production during the preceding three calendar  
8.19 months. A producer that files a claim under this paragraph shall include a statement of  
8.20 the producer's total biomass thermal production in Minnesota during the quarter covered  
8.21 by the claim. For each claim and statement of total biomass thermal production filed  
8.22 under this paragraph, the volume of biomass thermal production must be examined by  
8.23 an independent certified public accountant licensed under chapter 326A, in accordance  
8.24 with Statements on Standards for Attestation Engagements established by the American  
8.25 Institute of Certified Public Accountants.

8.26 (i) Payments shall be made November 15, February 15, May 15, and August 15. A  
8.27 separate payment shall be made for each claim filed.

8.28 (j) Biofuel production for which payment has been received under section 41A.14,  
8.29 and renewable chemical production for which payment has been received under section  
8.30 41A.15, is not eligible for payment under this section.

8.31 **Sec. 5. [41A.17] REPORT; INCENTIVE PROGRAMS.**

8.32 By January 15 each year, the commissioner shall report on the incentive programs  
8.33 under Minnesota Statutes, sections 41A.14, 41A.15, and 41A.16, to the legislative policy  
8.34 and finance committees with primary jurisdiction over environment and agriculture. The



9.1 report shall include information on production and expenditures for incentives under  
9.2 the programs.

9.3 **Sec. 6. [103F.519] WORKING LANDS WATERSHED RESTORATION**  
9.4 **PROGRAM.**

9.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
9.6 have the meanings given.

9.7 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

9.8 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

9.9 (d) "Board" means the Board of Water and Soil Resources.

9.10 (e) "Perennial crops" means agriculturally produced plants that are known to be  
9.11 noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at  
9.12 least three years at the location where the plants are being cultivated. Biomass from alfalfa  
9.13 produced in a two-year rotation shall be considered a perennial crop.

9.14 Subd. 2. **Establishment.** The board shall administer a perennial feedstock program  
9.15 to incentivize the establishment and maintenance of perennial agricultural crops. The  
9.16 board shall contract with landowners and give priority to contracts that implement water  
9.17 protection actions as identified in a completed watershed restoration and protection  
9.18 strategy developed under section 114D.26.

9.19 Subd. 3. **Eligible land.** Land eligible under this section must:

9.20 (1) have been in agricultural use or have been set aside, enrolled, or diverted under  
9.21 another federal or state government program for at least two of the last five years before  
9.22 the date of application; and

9.23 (2) not be currently set aside, enrolled, or diverted under another federal or state  
9.24 government program.

9.25 Subd. 4. **Contract terms.** (a) The board shall offer a contract rate of no more  
9.26 than 90 percent of the most recent federal conservation reserve program payment for the  
9.27 county in which the land is located. The board may make additional payments to assist  
9.28 with the establishment of perennial crops.

9.29 (b) Contracts must be at least ten years in duration.

9.30 (c) Perennial crops grown on lands enrolled under this section may be used for  
9.31 advanced biofuel feedstock or livestock feed. Perennial plants may be processed in a  
9.32 manner that utilizes a portion of the plant for livestock. Mechanical harvest is not allowed  
9.33 before July 1 in any year.

9.34 (d) The board shall prioritize lands with the highest potential to leverage federal  
9.35 funding.

10.1 (e) The board may establish additional contract terms.

10.2 Subd. 5. **Pilot watershed selection.** The board may select up to two watersheds in  
 10.3 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds  
 10.4 must have, as determined by the board:

10.5 (1) a completed watershed restoration and protection strategy developed under  
 10.6 section 114D.26, or a hydrological simulation program model approved by the Pollution  
 10.7 Control Agency;

10.8 (2) multiple water quality impairments resulting primarily from agricultural practices;

10.9 (3) a viable proposed advanced biofuel production facility located within 50 miles  
 10.10 of the perennial feedstock grown under this section; and

10.11 (4) sufficient additional acres of cropland available for perennial crop production to  
 10.12 adequately supply the proposed advanced biofuel production facility.

10.13 Sec. 7. **WORKING LANDS WATERSHED RESTORATION**  
 10.14 **IMPLEMENTATION PLAN.**

10.15 (a) The board shall develop a detailed plan to implement Minnesota Statutes, section  
 10.16 103F.519, that includes the following:

10.17 (1) selection of pilot watersheds that are expected to best demonstrate water quality  
 10.18 improvements and exhibit readiness to participate in the program;

10.19 (2) an assessment of the quantity of agricultural lands that are expected to be eligible  
 10.20 for the program in each watershed;

10.21 (3) an assessment of landowner interest in participating in the program;

10.22 (4) an assessment of the contract terms and any recommendations for changes to  
 10.23 the terms;

10.24 (5) an assessment of opportunity to leverage federal funds through the program and  
 10.25 recommendations on how to maximize the use of federal funds in the future;

10.26 (6) an estimate of water quality improvements resulting from implementation;

10.27 (7) an assessment of potential groundwater quantity use of the proposed advanced  
 10.28 biofuel production facilities;

10.29 (8) an assessment of how to best integrate implementation with existing conservation  
 10.30 requirements and practices;

10.31 (9) a timeline for implementation, coordinated to the extent possible with the  
 10.32 proposed advanced biofuel production facilities; and

10.33 (10) a projection of funding sources needed to complete implementation.

10.34 The board shall coordinate development of the plan with the commissioners of  
 10.35 natural resources, agriculture, and the Pollution Control Agency. The implementation plan

11.1 shall be submitted by October 1, 2016, to the chairs and ranking minority members of the  
11.2 legislative committees and divisions with jurisdiction over agriculture, natural resources,  
11.3 and environment policy and finance and to the Clean Water Council.

11.4 Sec. 8. **APPROPRIATION; WORKING LANDS WATERSHED RESTORATION.**

11.5 \$750,000 in fiscal year 2016 is appropriated from the general fund to the Board of  
11.6 Water and Soil Resources for purposes of Minnesota Statutes, section 103F.519. This  
11.7 appropriation is onetime and is available until June 30, 2017.

11.8 Sec. 9. **APPROPRIATION; BIOFUEL INCENTIVES.**

11.9 \$2,500,000 in fiscal year 2016 and \$2,500,000 in fiscal year 2017 are appropriated  
11.10 from the general fund to the commissioner of agriculture for incentive payments under  
11.11 Minnesota Statutes, sections 41A.14, 41A.15, and 41A.16. If the appropriation exceeds  
11.12 the total amount for which all producers are eligible in a fiscal year, the balance of the  
11.13 appropriation is available to the commissioner for the agricultural growth, research, and  
11.14 innovation program under Minnesota Statutes, section 41A.12, for NextGen energy grants.  
11.15 These appropriations do not cancel and are available until spent. Up to 4.5 percent of the  
11.16 appropriation may be used for administration of the incentive payments.