

Rules of
Department of Agriculture
Division 110—Office of the Director
Chapter 1—Missouri Qualified Fuel Ethanol
Producer Incentive Program

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Title 2—DEPARTMENT OF AGRICULTURE

Division 110—Office of the Director Chapter 1—Missouri Qualified Fuel Ethanol Producer Incentive Program

2 CSR 110-1.010 Description of General Organization; Definitions; Requirements of Eligibility, Licensing, Bonding, and Application for Grants; Procedures for Grant Disbursements; Recordkeeping Requirements, and Verification Procedures for the Missouri Qualified Fuel Ethanol Producer Incentive Program

PURPOSE: This rule describes the operation of the program; defines terms; establishes requirements for eligibility, licensing, bonding, and application for grants; describes procedures for grant disbursement; and establishes record-keeping requirements and verification procedures.

(1) General Organization.

(A) The director of the Department of Agriculture is authorized to administer the Missouri Qualified Fuel Ethanol Producer Incentive Fund and, subject to appropriations for this purpose, shall provide economic subsidies to Missouri qualified fuel ethanol producers (MQFEP). To obtain a grant from the fund, an MQFEP must be eligible, licensed, and bonded, must submit a formal grant application, and in all other ways must conform to the requirements of this rule.

(B) All submissions or requests for information regarding the Missouri Qualified Fuel Ethanol Producer Incentive Fund should be directed to the Missouri Department of Agriculture, Qualified Fuel Ethanol Producer Incentive Fund, P.O. Box 630, Jefferson City, MO 65102.

(2) Definitions.

(A) Fuel ethanol—One hundred ninety-eight (198) proof ethanol denatured in conformity with the United States Bureau of Alcohol, Tobacco and Firearms' regulations and fermented and distilled in a facility whose principal (over fifty percent (50%)) feed stock is cereal grain or cereal grain by-products;

(B) Missouri qualified fuel ethanol producer (MQFEP)—Any producer of fuel ethanol whose principal place of business and facility for the fermentation and distillation of fuel ethanol is located within the state of Missouri and which has made formal application, posted a bond, and conformed to the requirements of this rule;

(C) Principal place of business—The state in which a producer's ethanol plants produce more fuel ethanol than is produced in any other state;

(D) Qualified fuel ethanol—Fuel ethanol produced by a MQFEP;

(E) Missouri agricultural products—Cereal grain or cereal by-products produced in Missouri.

(F) Department—The Missouri Department of Agriculture; and

(G) Director—The director of the Missouri Department of Agriculture.

(3) Criteria for Classification as a Missouri Qualified Ethanol Producer. To be classified an MQFEP, a producer's principal place of business and facility for the fermentation and distillation of fuel ethanol must be located within the state of Missouri, and the producer must—

(A) Be licensed to produce fuel ethanol by the department;

(B) Post a bond;

(C) Make formal application for monthly grants from the Missouri Qualified Fuel Ethanol Producer Incentive Fund; and

(D) Conform to all other requirements of this rule.

(4) Procedures for Obtaining a Missouri Qualified Fuel Ethanol Producer License.

(A) Any MQFEP may apply for an original license by requesting a license application form from the Missouri Department of Agriculture, Qualified Fuel Ethanol Producer Incentive Fund, P.O. Box 630, Jefferson City, MO 65102.

(B) The license application form must include:

1. The fuel ethanol producer's Bureau of Alcohol, Tobacco and Firearms Permit number;

2. The fuel ethanol producer's federal employer identification number or Social Security number;

3. If incorporated, a copy of the Certificate of Good Standing issued by the Missouri Secretary of State;

4. Complete name and address of the owner, or the names and addresses of the partners if the MQFEP is a partnership or the names and addresses of the principal officers if the MQFEP is a corporation;

5. Diagram of the premises (location of the still, etc.);

6. Description of the stills, including their capacity;

7. The amount and source of the feedstocks to be used annually by the facility;

8. The maximum number of gallons of ethanol to be produced annually by the facility; and

9. The amount and source of funds invested in the facility.

(C) All original license applications must be acted upon by the department within ninety (90) days of receipt.

(D) The original license shall be issued effective from the date all required information has been received and approved and shall expire on the following June 30.

(E) Licenses shall be renewed annually, becoming effective July 1 and expiring June 30.

(F) To assure renewal effective July 1, renewal license applications must be submitted and received by the department by April 30.

(5) Bonding Requirements.

(A) To receive a monthly grant from the Missouri Qualified Fuel Ethanol Producer Incentive Fund, a MQFEP shall file with the department a surety bond executed and signed by the MQFEP as principal and issued by a responsible corporate surety licensed to execute surety bonds in the state of Missouri. The bond shall be in favor of the director of the Missouri Department of Agriculture for the benefit of all persons producing qualified fuel ethanol from Missouri agricultural products, their legal representatives, attorneys, or assigns, and shall be conditioned upon—

1. Verification of the actual number of gallons of qualified fuel ethanol produced from Missouri agricultural products for which the MQFEP has received a monthly grant; and

2. The MQFEP's compliance with section 142.028, RSMo, and the requirements of this rule.

(B) The bond shall have an effective date not later than the date application is made for the first monthly producer incentive grant.

(C) The bond shall remain effective until canceled. However, the bond may not be reduced or canceled by the named principal or surety unless the surety provides ninety (90) days written notice of cancellation sent by registered or certified mail, with return receipt to both the principal and to the Director of the Missouri Department of Agriculture, Qualified Fuel Ethanol Producer Incentive Fund, P.O. Box 630, Jefferson City, MO 65102. Notice of cancellation does not affect the liability accrued or which may accrue under such bond before the expiration of the ninety (90) days.

(D) The amount of the bond will be computed by multiplying the MQFEP's estimated maximum annual production of Missouri produced qualified fuel ethanol by twenty cents (20¢) per gallon for the first twelve and one-half (12.5) million gallons, plus five cents (5¢) per gallon for the next twelve and one-half (12.5) million gallons and then multiplying the number of months each Missouri plant will be

in production during the fiscal year and then dividing by twelve (12).

(E) The department will monitor the MQFEP's estimated and actual ethanol production records. If the department determines the bond amount is insufficient to cover estimated monthly ethanol production, the department may, at its discretion, require the MQFEP to increase the amount of the bond.

(6) Grant Application Procedures.

(A) An MQFEP may apply for a producer incentive grant by requesting a monthly grant application form from the Missouri Department of Agriculture, Qualified Fuel Ethanol Producer Incentive Fund, P.O. Box 630, Jefferson City, MO 65102.

(B) To obtain a producer incentive grant for a particular month, a MQFEP must complete the prescribed grant application form.

(C) The completed grant application form must be received by the department fifteen (15) days before the first day of the month for which the grant is sought. Any information or documents submitted by an MQFEP to the department will be considered received by the department on the—

1. Postal mark date for items delivered by the United States Postal Service;
2. Actual date received for items delivered by any other carrier service; or
3. Actual date received for information received by facsimile within the Jefferson City, Missouri central office of the department.

(D) The grant application form must include the:

1. Complete name and address of the owner, or names and addresses of the partners if the MQFEP is a partnership, or the names and addresses of the principal officers if the MQFEP is a corporation;
2. Address and location of all fuel ethanol plants owned by the MQFEP. Each MQFEP must include all Missouri plants and plants outside Missouri;
3. Production capacity of each fuel ethanol plant;
4. Estimated number of employees needed to reach the production capacity of each fuel ethanol plant;
5. Number of bushels of Missouri agricultural products used by the MQFEP in the production of fuel ethanol during the preceding quarter;
6. Total number of employees and the number of Missouri citizens employed by the MQFEP during the preceding quarter;
7. Number of bushels of Missouri agricultural products to be used by the MQFEP in the production of fuel ethanol during the month for which the grant is applied;

8. Number of gallons of qualified fuel ethanol the MQFEP expects to manufacture during the month for which the grant is applied;

9. Estimated production of fuel ethanol the MQFEP expects to manufacture during the current fiscal year (July 1 through June 30);

10. A copy of the qualified fuel ethanol producer license; and

11. Name and address of the surety company, the bond number and the amount of the bond posted under this rule.

(7) Grant Disbursement Procedures.

(A) Annually, the department shall make available to MQFEPs all monies appropriated to the "Missouri Qualified Fuel Ethanol Producer Incentive Fund" by the general assembly and signed into law by the governor, less any governor's reserve and/or withholding.

(B) A MQFEP shall be eligible for a monthly grant from the Missouri Qualified Fuel Ethanol Producer Incentive Fund, except that a MQFEP shall be eligible for the grant for a total of sixty (60) months.

(C) The amount of each monthly grant is determined by calculating the estimated gallons of qualified fuel ethanol to be produced from Missouri agricultural products for the succeeding calendar month, as certified by the department, and multiplying such figure by the per gallon credit established in section 142.028, RSMo and this rule. Each MQFEP shall be eligible for a total grant in any calendar year equal to twenty cents (20¢) per gallon for the first twelve and one-half (12.5) million gallons of qualified fuel ethanol produced from Missouri agricultural products in the calendar year, plus five cents (5¢) per gallon for the next twelve and one-half (12.5) million gallons of qualified fuel ethanol produced from Missouri agricultural products in the calendar year. All such qualified fuel ethanol produced by a MQFEP in excess of twenty-five (25) million gallons shall not be applied to the computation of a grant.

(D) Should available monies be insufficient to pay all MQFEPs the maximum monthly grant allowed by law, available monies will be apportioned so that each MQFEP shall receive a share of monies proportionate to the total amount requested by all MQFEPs for that month.

(E) The department shall pay all grants for a particular month by the fifteenth day after receipt and approval of the grant application form.

(F) The amount of the monthly grant paid by the department shall not exceed the amount of the bond required to be posted by the MQFEP under this rule.

(8) Recordkeeping Requirements and Verification Procedures.

(A) Within fifteen (15) days after the end of a month for which a producer incentive grant was received, the MQFEP must report actual production for that month. The report shall include:

1. The actual number of gallons of qualified fuel ethanol produced at each Missouri ethanol plant during the report month;

2. The actual number of gallons of fuel ethanol produced at each plant located outside Missouri during the report month; and

3. The actual quantity of Missouri agricultural products used at each Missouri ethanol plant to produce fuel ethanol during the report month.

(B) If actual production of qualified fuel ethanol during a particular month either exceeds or is less than that estimated by an MQFEP, the department shall adjust the subsequent monthly grant by paying the additional amount or subtracting the amount in deficiency to ensure the MQFEP receives the grant amount specified under this rule. If the MQFEP does not apply or qualify for a subsequent monthly grant within ninety (90) days of its previous grant application, the department may, at its discretion, adjust the amount of the bond returned to the MQFEP by paying the additional amount or subtracting the amount in deficiency to ensure the MQFEP receives the grant amount specified under this rule.

(C) Each MQFEP shall keep accurate purchase and production records and source documents for at least three (3) years. The records and source documents must be sufficient to verify the—

1. Actual monthly production, inventory, and disposition of fuel ethanol for each Missouri fuel ethanol plant; and

2. Actual monthly quantities of Missouri agricultural products purchased and used to produce fuel ethanol at each Missouri fuel ethanol plant.

(D) The department is authorized to examine records, documents, books, premises, and products of the MQFEP to determine the validity of all information and reports submitted by the MQFEP and to determine if the MQFEP has complied with the provisions of section 142.028, RSMo, and this rule.

*Auth: section 142.028, RSMo (1994).
Original rule filed June 14, 1995, effective
Dec. 30, 1995.*

**Original authority 1988, amended 1989, 1993.*



STATE OF MISSOURI
 DEPARTMENT OF AGRICULTURE
 MISSOURI QUALIFIED FUEL ETHANOL PRODUCER
LICENSE APPLICATION (314) 751-2477

FOR OFFICE USE ONLY		
<input type="checkbox"/> LICENSE APPROVED	NUMBER	DATE
<input type="checkbox"/> LICENSE DENIED	REASON	
<input type="checkbox"/> LICENSE RENEWED	DATE	

DATE _____

TYPE OF LICENSE
 NEW LICENSE RENEWAL IF A RENEWAL

CURRENT LICENSE NUMBER _____

OWNER'S NAME _____

ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____

AREA CODE AND TELEPHONE NUMBER _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER _____

IF A PARTNERSHIP, PLEASE LIST THE NAMES AND ADDRESSES OF ALL PARTNERS

NAME OF PARTNER	ADDRESS

IF A CORPORATION, PLEASE ATTACH A COPY OF YOUR CERTIFICATE OF GOOD STANDING ISSUED BY THE MISSOURI SECRETARY OF STATE AND LIST THE NAMES AND ADDRESSES OF YOUR PRINCIPAL OFFICERS

NAME OF OFFICER	ADDRESS

DO YOU HAVE A PERMIT FROM THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS?
 YES NO IF YES

PERMIT NUMBER _____

MAXIMUM NUMBER OF GALLONS OF ETHANOL YOU EXPECT TO PRODUCE ANNUALLY _____

AMOUNT OF FUNDS INVESTED IN YOUR ETHANOL PRODUCTION OPERATION _____

SOURCE OF FUNDS INVESTED IN YOUR ETHANOL PRODUCTION OPERATION _____

DESCRIBE YOUR OPERATION'S STILLS AND THEIR CAPACITY (NOTE: A DIAGRAM OF THE PREMISES, INCLUDING LOCATION OF STILLS, ETC., MUST BE ATTACHED)

FEEDSTOCKS TO BE USED IN PRODUCTION _____

MISSOURI AGRICULTURAL PRODUCTS TO BE USED IN ETHANOL PRODUCTION _____

ESTIMATED QUANTITY (FOR EXAMPLE, NUMBER OF BUSHELS) OF MISSOURI AGRICULTURAL PRODUCTS TO BE USED ANNUALLY IN ETHANOL PRODUCTION _____

SOURCE OF MISSOURI AGRICULTURAL PRODUCTS TO BE USED ANNUALLY IN ETHANOL PRODUCTION _____

The Missouri Department of Agriculture will notify you within 90 days of receiving this application whether your application has been approved or denied. If approved, your original license will be effective from the date all required information has been received and approved and will expire the following June 30. In order to renew your license effective July 1, the Missouri Department of Agriculture must receive your renewal application by April 30.

MO 350-1080 (7-95)



STATE OF MISSOURI
DEPARTMENT OF AGRICULTURE
MISSOURI QUALIFIED FUEL ETHANOL PRODUCER
BOND

BOND NUMBER

KNOW ALL MEN BY THESE PRESENTS:

That we, _____ of _____
(FUEL ETHANOL PRODUCER) (CITY)
County of _____, State of _____, a(n) _____
(NATURE OF ENTITY)
as PRINCIPLE, AND _____ of _____ State of _____
(SURETY COMPANY) (CITY)
_____, a corporate surety duly authorized and licensed to do business in the State of Missouri, as SURETY, are jointly and severally held and firmly bound unto the State of Missouri for the benefit of all persons, firms, corporations or associations interested, or to their legal representatives, attorneys, or assigns, in the penal sum of _____ DOLLARS (\$ _____), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, legal representatives, successors and assigns firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that, if the said principal shall faithfully perform all of the duties of a Missouri Qualified Fuel Ethanol Producer and complies with all the provisions of the Missouri Motor Fuel Tax Law (Chaper 142, RSMo, as amended) and the rules and regulations promulgated thereunder, then this obligation shall be void, otherwise to remain in full force and effect during the term of the license and its extension or annual renewals or until cancelled as provided for in 2 CSR 110-1.010.

In no event shall the liability of the surety accumulate for each successive license period during which this bond is in force, but shall be limited in the aggregate to the bond amount stated above, or changed by appropriate rider(s) or endorsement(s).

This bond shall become effective _____, 19 _____ and shall continue in full force and effect until canceled. Provided, that this bond may not be canceled by the Principal or Surety named herein, except in accordance with the provisions of 2 CSR 110-1.010 which requires that the Principal or Surety provide ninety (90) days written notice of cancellation, sent by registered or certified mail with return receipt, to both the above named Principal and to the Director of the Missouri Department of Agriculture, P.O. Box 630, Jefferson City, MO 65102.

The provisions of the Missouri Motor Fuel Tax Law (Chapter 142, RSMo, as amended) relating to fuel ethanol production surety bonds are hereby made applicable to this instrument and the parties hereto and are incorporated herein by reference.

IN WITNESS WHEREOF, the foresaid PRINCIPAL and SURETY have hereunto set their hand and seals this _____ day of _____, 19 _____.

ATTEST	PRINCIPAL (SEAL)
	BY
ATTEST	SURETY (SEAL)
	BY (ATTORNEY-IN-FACT)

MO 350-1080 (7-95)

POWER OF ATTORNEY OR AUTHORITY TO BIND SURETY TO BE ATTACHED.



STATE OF MISSOURI
 DEPARTMENT OF AGRICULTURE
 MISSOURI QUALIFIED FUEL ETHANOL PRODUCER
GRANT APPLICATION (314) 751-2477

FOR OFFICE USE ONLY		
<input type="checkbox"/> GRANT APPROVED	DATE	AMOUNT
<input type="checkbox"/> GRANT DENIED	REASON	

DATE				
OWNER'S NAME				
ADDRESS		CITY	STATE	ZIP CODE
AREA CODE AND TELEPHONE NUMBER				
IF A PARTNERSHIP, PLEASE LIST THE NAMES AND ADDRESSES OF ALL PARTNERS				
NAME OF PARTNER		ADDRESS		
IF A CORPORATION, PLEASE LIST THE NAMES AND ADDRESSES OF YOUR PRINCIPAL OFFICERS				
NAME OF OFFICER		ADDRESS		
PLEASE LIST ALL FUEL ETHANOL PLANTS YOU OWN IN AND OUTSIDE MISSOURI. FOR EACH, GIVE COMPLETE ADDRESS, PRODUCTION CAPACITY, ESTIMATED NUMBER OF EMPLOYEES NEEDED TO REACH PRODUCTION CAPACITY AND THE ESTIMATED FUEL PRODUCTION FOR THE CURRENT FISCAL YEAR (JULY 1 - JUNE 30)				
PLANT/LOCATION	ADDRESS	PRODUCTION CAPACITY	NO. OF EMPLOYEES AT PROD. CAPACITY	ESTIMATED PRODUCTION JULY 1 - JUNE 30
TOTAL NO. OF PEOPLE EMPLOYED DURING THE PRECEDING QUARTER	NO. OF MISSOURI CITIZENS EMPLOYED DURING THE PRECEDING QUARTER	TYPE OF MISSOURI AGRICULTURAL PRODUCTS USED IN ETHANOL PRODUCTION		
ESTIMATED QUANTITY (FOR EXAMPLE, NUMBER OF BUSHELS) OF MISSOURI AGRICULTURAL PRODUCTS USED IN ETHANOL PRODUCTION DURING THE PRECEDING QUARTER				
MONTH FOR WHICH YOU ARE APPLYING FOR A GRANT		AMOUNT OF FUEL YOU EXPECT TO MAKE DURING THE MONTH FOR WHICH THE GRANT IS APPLIED		
ESTIMATED QUANTITY (FOR EXAMPLE, NUMBER OF BUSHELS) OF MISSOURI AGRICULTURAL COMMODITY TO BE USED IN ETHANOL PRODUCTION DURING THE MONTH FOR WHICH THE GRANT IS APPLIED				
DO YOU HAVE A QUALIFIED FUEL ETHANOL PRODUCER LICENSE?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
AMOUNT OF BOND TO BE POSTED				
NAME OF SURETY COMPANY				
ADDRESS		CITY	STATE	ZIP CODE
TELEPHONE NUMBER				
NOTE: A COPY OF YOUR QUALIFIED FUEL ETHANOL PRODUCER LICENSE AND YOUR SURETY BOND MUST BE INCLUDED WITH THIS APPLICATION.				

MO 350-1081 (7-95)



PLEASE USE THE FOLLOWING FORMULA TO DETERMINE THE GRANT AMOUNT FOR WHICH YOU MAY BE ELIGIBLE.	
1. Enter number of gallons expected to be produced in the next calendar month up to 12.5 million gallons	
2. Multiply by 20 cents per gallon	\$ X .20
3. TOTAL	\$

4. Enter number of gallons expected to be produced in the next calendar month exceeding 12.5 million gallons (not to exceed a total of 25 million gallons).	
5. Multiply by 5 cents per gallon	\$ X .05
6. TOTAL	\$

7. Add lines 3 and 6 for estimated grant application	
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8. Enter actual number of gallons of ethanol produced in the preceding month	
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