AN ACT concerning agriculture; relating to the Kansas department of agriculture; requiring the secretary of agriculture to establish a division of sustainable agriculture that shall apply for federal grant funds under the greenhouse gas reduction fund to assist farmers in converting to renewable energy and sustainable agriculture practices.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) As used in this section:

(1) "Renewable natural gas plant" means a facility that converts agricultural commodities to methane.

(2) "Sustainable agriculture district" means an improvement district incorporated pursuant to K.S.A. 19-2753 et seq., and amendments thereto, to provide means whereby producers of agricultural commodities can reap economic benefits from renewable energy and sustainable agriculture practices.

(3) "Sustainable ammonia or urea plant" means a facility that produces ammonia or urea, has a capacity of less than 50,000 tons per year and either:

(A) Does not consume methane as feedstock; or

(B) (i) consumes predominantly biomethane as feedstock; or

(ii) sequesters at least 60% of the carbon dioxide produced by methane consumption.

(b) (1) On or before June 1, 2023, the Kansas department of agriculture shall establish a division of sustainable agriculture.

(2) Such division of sustainable agriculture shall have the express purpose of dispersing grants, loans, bond guarantees and other financial and technical assistance to sustainable agriculture districts using funds obtained by grants from the federal greenhouse gas reduction fund established by 42 U.S.C. § 7434 for the construction and commissioning of renewable natural gas plants or sustainable ammonia or urea plants, or a combination of both.

(c) (1) The secretary of agriculture shall further create a nonprofit organization called "the Kansas sustainable agriculture fund" that qualifies as an eligible recipient within the meaning of 42 U.S.C. § 7434.

(2) Such nonprofit organization shall be designed to obtain funds through federal grants under 42 U.S.C. § 7434.
(3) Such funds shall be used to provide capital, leverage private
capital and provide other forms of financial assistance to sustainable
agriculture districts for the construction and commissioning of renewable
natural gas plants or sustainable ammonia or urea plants, or a combination
of both.

Sec. 2. This act shall take effect and be in force from and after its
publication in the Kansas register.