

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
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**MEMORANDUM**

To: Senate Committee on Agriculture and Natural Resources  
From: Office of Revisor of Statutes  
Date: February 15, 2023  
Subject: SB 71—Division of Sustainable Agriculture

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Senate Bill 71 would require the secretary of agriculture to establish a division of sustainable agriculture on or before June 1, 2023, for the purpose of disbursing grants, loans, bond guarantees and other financial and technical assistance to sustainable agriculture districts using moneys from the federal greenhouse gas reduction fund. Additionally, the secretary would be required to establish a nonprofit organization called “the Kansas sustainable agriculture fund” that qualifies as an eligible nonprofit to obtain federal grants. The funds distributed to sustainable agriculture districts would be used for the construction and commissioning of renewable natural gas plants or sustainable ammonia or urea plants, or a combination of both.

The bill would define “sustainable agriculture district” to mean an improvement district incorporated under K.S.A. 19-2753 to provide means whereby producers of agricultural commodities can reap economic benefits from renewable energy and sustainable agriculture practices.

SB 71 would take effect upon publication in the Kansas register.

**Background**

On August 16, 2022, the federal government’s inflation reduction act became effective. One section of the act, codified as 42 U.S.C. § 7434, created the greenhouse gas reduction fund. The funds would be appropriated as follows:

- (1) \$7,000,000,000 to states, municipalities, tribal governments, and eligible nonprofits to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies and to carry out other greenhouse gas emission reduction activities;

- (2) \$11,970,000,000 to eligible nonprofits to provide funding and technical assistance to establish new or support existing public, quasi-public, not-for-profit, or nonprofit entities that provide financial assistance to qualified projects;
- (3) \$8,000,000,000 to eligible nonprofits for the purposes of providing financial assistance and technical assistance in low-income and disadvantaged communities; and
- (4) \$30,000,000 for administrative costs.

Such moneys will remain available until September 30, 2024, and will be distributed to eligible recipients through competitive grants. Qualified projects that would receive funding would include any project, activity, or technology that:

- (1) Reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or
- (2) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.

“Zero-emission technology” would mean any technology that produces zero emissions of certain air pollutants and any greenhouse gas.