

41A.21 ORIENTED STRAND BOARD PRODUCTION INCENTIVE.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

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

(c) "Forest resources" means raw wood logs and material primarily made up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

(d) "Oriented strand board" or "OSB" means a material manufactured into panels using forest resources.

Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent of its forest resources raw materials from Minnesota. The facility must be located in Minnesota; must begin construction activities by December 31, 2023, for a specific location; must have produced at least one OSB square foot on a 3/8-inch nominal basis at a specific location by June 30, 2026; and must not begin operating before January 1, 2022. Eligible facilities must be new OSB construction sites with total capital investment in excess of \$250,000,000. Eligible OSB production facilities must produce at least 50,000,000 OSB square feet on a 3/8-inch nominal basis of OSB each quarter. At least one product produced at the facility should be a wood-based wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay that serves as a water resistive barrier.

(b) No payments shall be made for OSB production that occurs after June 30, 2036, for those eligible producers under paragraph (a).

(c) An eligible producer of OSB shall not transfer the producer's eligibility for payments under this section to a facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of OSB. The amount of the payment for each eligible producer's annual production is \$7.50 per 1,000 OSB square feet on a 3/8-inch nominal basis of OSB produced at a specific location for ten years starting after the first calendar year in which production begins.

(b) Total payments under this section to an eligible OSB producer in a fiscal year may not exceed the amount necessary for 400,000,000 OSB square feet on a 3/8-inch nominal basis of OSB produced. Total payments under this section to all eligible OSB producers in a fiscal year may not exceed the amount necessary for 400,000,000 OSB square feet on a 3/8-inch nominal basis of OSB produced. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis.

(c) For purposes of this section, an entity that holds a controlling interest in more than one OSB facility is considered a single eligible producer.

Subd. 4. **Forest resources requirements.** Forest resources that are purchased to be used at the facility must be in compliance with one or more of the following: the Sustainable Forestry Initiative Fiber Sourcing Standard, the Forest Stewardship Council Chain of Custody Standard, or the Forest Stewardship Controlled Wood Standard. For forest resources that come from land parcels greater than 160 acres, all efforts must be made to procure from land that is certified by one or more of the following: the Forest Stewardship Council

Forest Management Standard, the Sustainable Forestry Initiative Forest Management Standard, or the American Tree Farm System.

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each eligible OSB producer shall file a claim for payment for OSB production during the preceding three calendar months. An eligible OSB producer that files a claim under this subdivision shall include a statement of the eligible producer's total board feet of OSB produced during the quarter covered by the claim. For each claim and statement of total board feet of OSB filed under this subdivision, the board feet of OSB produced must be examined by a certified public accounting firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments required by this section, not to exceed \$1,500,000, is appropriated from the general fund to the commissioner. This is a onetime appropriation.

(b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the general fund to the commissioner.

History: *1Sp2021 c 14 art 11 s 9; 2022 c 95 art 2 s 24*