

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

723T0516

SENATE TAXATION ENGROSSED NO. **SB 100** - 2/1/2012

Introduced by: Senators Hansen (Tom), Begalka, Brown, Cutler, Frerichs, Fryslie, Gray, Hundstad, Hunhoff (Jean), Johnston, Krebs, Lederman, Maher, Novstrup (Al), Nygaard, Olson (Russell), Putnam, Rampelberg, Rave, Rhoden, Schlekeway, Sutton, Tidemann, and Vehle and Representatives White, Abdallah, Boomgarden, Brunner, Cronin, Dennert, Fargen, Gosch, Hoffman, Hunhoff (Bernie), Kirkeby, Kirschman, Kloucek, Magstadt, Munsterman, Novstrup (David), Rausch, Schaefer, Sigdestad, Solum, Street, Vanneman, and Wick

1 FOR AN ACT ENTITLED, An Act to modify the ethanol production incentive payment to
2 include qualified producers of biobutanol.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-47B-3 be amended by adding thereto a NEW SUBDIVISION to read
5 as follows:

6 "Biobutanol," butyl alcohol produced from cereal grains;

7 Section 2. That § 10-47B-3 be amended by adding thereto a NEW SUBDIVISION to read
8 as follows:

9 "Qualified biobutanol producer," any person who engages in the business of producing
10 biobutanol for sale, use, or distribution and who produced qualified ethyl alcohol on or before
11 December 31, 2006, and is therefore eligible for receiving incentive payments for the production



1 of ethyl alcohol under § 10-47B-162;

2 Section 3. That § 10-47B-162 be amended to read as follows:

3 10-47B-162. A production incentive payment of twenty cents per gallon is available to
4 ethanol producers for ethyl alcohol which is fully distilled and produced in South Dakota and
5 to qualified biobutanol producers for biobutanol fully produced in South Dakota. To be eligible
6 for this payment, the ethyl alcohol shall be denatured and subsequently blended with gasoline
7 to create ethanol blend. The ethyl alcohol shall be ninety-nine percent pure and shall be distilled
8 from cereal grains. Annual production incentive payments for any facility may not exceed one
9 million dollars. An ethanol production facility is eligible for a production incentive payment
10 under this section only if the facility has produced qualifying ethyl alcohol on or before
11 December 31, 2006. No facility may receive any production incentive payments in an amount
12 greater than nine million six hundred eighty-two thousand dollars. The cumulative annual
13 production incentive payments made under this section may not exceed four million dollars for
14 fiscal year 2003, five million dollars for fiscal year 2004, six million dollars for fiscal year 2005,
15 seven million dollars for fiscal year 2006, seven million dollars for fiscal year 2007, seven
16 million dollars for fiscal year 2008, seven million dollars for fiscal year 2009, seven million
17 dollars for fiscal year 2010, seven million dollars for fiscal year 2011, four million dollars for
18 fiscal year 2012, four million dollars for fiscal year 2013, four million five hundred thousand
19 dollars for fiscal year 2014, four million five hundred thousand dollars for fiscal year 2015, four
20 million five hundred thousand dollars for fiscal year 2016, and seven million dollars per fiscal
21 year thereafter. Payments from the ethanol fuel fund shall be prorated equally to all of the
22 facilities each month based on claims submitted for that month and the amount of funds
23 available for that month. No facility may receive payment for more than four hundred sixteen
24 thousand six hundred sixty-seven gallons per month. If excess funds are available in the fund

1 in any given month, payment may be made to facilities for previous months when funds were
2 not sufficient to pay the claims from the previous months. All moneys available in the ethanol
3 fuel fund at the end of the fiscal year shall be prorated equally to the facilities based upon all
4 unpaid claims received through the end of that fiscal year.