

State of South Dakota

SEVENTY-THIRD SESSION LEGISLATIVE ASSEMBLY, 1998

471B0478

SENATE BILL NO. 131

Introduced by: Senators Munson (David), Albers, Benson, Dugaard, Drake, Flowers, Frederick, Morford, and Symens and Representatives Cutler, Brooks, Crisp, Diedrich, Duxbury, Haley, Jaspers, Johnson (Doug), Kazmerzak, Putnam, Schaunaman, Smidt, and Sperry

1 FOR AN ACT ENTITLED, An Act to clarify eligibility for ethanol production incentive
2 payments.

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

4 Section 1. That § 10-47B-162 be amended to read as follows:

5 10-47B-162. A production incentive payment of twenty cents per gallon is available to
6 ethanol producers for ethyl alcohol which is fully distilled and produced in South Dakota. To be
7 eligible for this payment, the ethyl alcohol shall be denatured and subsequently blended with
8 gasoline to create ethanol blend. The ethyl alcohol shall be ninety-nine percent pure and shall be
9 distilled from cereal grains. Annual production incentive payments ~~to any producer~~ for any
10 facility may not exceed one million dollars. No ~~producer~~ facility may receive any production
11 incentive payments in an amount greater than ten million dollars. The cumulative annual
12 production incentive payments made under this section may not exceed an amount which has
13 been appropriated by the Legislature for this purpose and has been deposited into the ethanol fuel
14 fund in the state treasury. Payments from the ethanol fuel fund shall be made on a first in time

1 basis until the fiscal year appropriation is reached. During the month when the appropriation limit
2 is to be reached, all claims received by month end shall be reimbursed proportionately on a
3 pro-rata basis for each gallon claimed.

4 Section 2. That § 10-47B-165 be amended to read as follows:

5 10-47B-165. The ethanol production payment claim form shall contain the following
6 elements for each eligible ethanol production facility:

- 7 (1) The licensee's name and license number and the ethanol production period for which
8 payment is being claimed;
- 9 (2) An inventory summary which identifies any unblended, but qualified, ethanol on hand
10 at the beginning of the claim period, plus any ethanol refined during the claim period,
11 less any ethanol sold during the period which results in the inventory on hand at the
12 end of the claim period;
- 13 (3) Information specifying the amount of ethanol sold and blended during the claim
14 period;
- 15 (4) A production payment calculation section which identifies the amount of production
16 payment being claimed on qualified ethanol for the claim period; and
- 17 (5) The claimant's signature on a certification statement which affirms that the ethanol
18 was produced from cereal grain at a facility located in this state and that the
19 information contained on the claim form is accurate and complete.