

# State of South Dakota

EIGHTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2012

723T0516

## SENATE BILL NO. 100

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 and blended with gasoline;

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



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

2 10-47B-162. A production incentive payment of twenty cents per gallon is available to  
3 ethanol producers for ethyl alcohol which is fully distilled and produced in South Dakota and  
4 to qualified biobutanol producers for biobutanol fully produced in South Dakota. To be eligible  
5 for this payment, the ethyl alcohol shall be denatured and subsequently blended with gasoline  
6 to create ethanol blend. The ethyl alcohol shall be ninety-nine percent pure and shall be distilled  
7 from cereal grains. Annual production incentive payments for any facility may not exceed one  
8 million dollars. An ethanol production facility is eligible for a production incentive payment  
9 under this section only if the facility has produced qualifying ethyl alcohol on or before  
10 December 31, 2006. No facility may receive any production incentive payments in an amount  
11 greater than nine million six hundred eighty-two thousand dollars. The cumulative annual  
12 production incentive payments made under this section may not exceed four million dollars for  
13 fiscal year 2003, five million dollars for fiscal year 2004, six million dollars for fiscal year 2005,  
14 seven million dollars for fiscal year 2006, seven million dollars for fiscal year 2007, seven  
15 million dollars for fiscal year 2008, seven million dollars for fiscal year 2009, seven million  
16 dollars for fiscal year 2010, seven million dollars for fiscal year 2011, four million dollars for  
17 fiscal year 2012, four million dollars for fiscal year 2013, four million five hundred thousand  
18 dollars for fiscal year 2014, four million five hundred thousand dollars for fiscal year 2015, four  
19 million five hundred thousand dollars for fiscal year 2016, and seven million dollars per fiscal  
20 year thereafter. Payments from the ethanol fuel fund shall be prorated equally to all of the  
21 facilities each month based on claims submitted for that month and the amount of funds  
22 available for that month. No facility may receive payment for more than four hundred sixteen  
23 thousand six hundred sixty-seven gallons per month. If excess funds are available in the fund  
24 in any given month, payment may be made to facilities for previous months when funds were

- 1 not sufficient to pay the claims from the previous months. All moneys available in the ethanol
- 2 fuel fund at the end of the fiscal year shall be prorated equally to the facilities based upon all
- 3 unpaid claims received through the end of that fiscal year.