

AN ACT

ENTITLED, An Act to revise certain provisions regarding the production incentive payment available to ethanol producers.

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

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

10-47B-162. A production incentive payment of twenty cents per gallon is available to ethanol producers for ethyl alcohol which is fully distilled and produced in South Dakota and to qualified biobutanol producers for biobutanol fully produced in South Dakota. The ethyl alcohol shall be ninety-nine percent pure and shall be distilled from cereal grains. Annual production incentive payments for any facility may not exceed one million dollars. An ethanol production facility is eligible for a production incentive payment under this section only if the facility has produced qualifying ethyl alcohol on or before December 31, 2006. No facility may receive any production incentive payments in an amount greater than nine million six hundred eighty-two thousand dollars. The cumulative annual production incentive payments made under this section may not exceed four million dollars for fiscal year 2003, five million dollars for fiscal year 2004, six million dollars for fiscal year 2005, seven million dollars for fiscal year 2006, seven million dollars for fiscal year 2007, seven million dollars for fiscal year 2008, seven million dollars for fiscal year 2009, seven million dollars for fiscal year 2010, seven million dollars for fiscal year 2011, four million dollars for fiscal year 2012, four million dollars for fiscal year 2013, four million five hundred thousand dollars for fiscal year 2014, four million five hundred thousand dollars for fiscal year 2015, four million five hundred thousand dollars for fiscal year 2016, and seven million dollars per fiscal year thereafter. Payments from the ethanol fuel fund shall be prorated equally to all of the facilities each month based on claims submitted for that month and the amount of funds available for that month. No facility may receive payment for more than four hundred sixteen thousand six hundred sixty-seven

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

Section 2. That § 10-47B-166 be amended to read as follows:

10-47B-166. Ethyl alcohol shall be denatured before it qualifies for the ethanol production incentive payment. A producer may denature the alcohol by adding gasoline or natural gasoline to it in amounts equal to at least two gallons of gasoline or natural gasoline for each ninety-eight gallons of alcohol. The alcohol may also be denatured by any other method common in the industry if the secretary is notified in writing of the method of denaturing before the denaturing occurs. If the ethyl alcohol is to be shipped outside of the United States of America, the ethyl alcohol does not need to meet the provisions of this section to qualify for the ethanol production incentive payment.

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I certify that the attached Act originated in the

SENATE as Bill No. 85

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 85
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State