

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

921B0477

## HOUSE BILL NO. 1135

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

1 FOR AN ACT ENTITLED, An Act to authorize production incentive payments for ethanol  
2 derived from biomass.

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 or biomass. Annual production incentive payments to any producer  
10 may not exceed one million dollars. No producer may receive any production incentive payments  
11 in an amount greater than ten million dollars. The cumulative annual production incentive  
12 payments made under this section may not exceed an amount which has been appropriated by  
13 the Legislature for this purpose and has been deposited into the ethanol fuel fund in the state  
14 treasury. Payments from the ethanol fuel fund shall be made on a first in time basis until the fiscal

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

- 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 or biomass at a facility located in this state and that  
19 the information contained on the claim form is accurate and complete.