

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

29110365

HOUSE BILL NO. 1214

Introduced by: Representatives Putnam and Peterson (Jim) and Senators Diedrich (Larry),
Jaspers, and Symens

1 FOR AN ACT ENTITLED, An Act to revise certain ethanol production incentive payment
2 procedures.

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 ethanol
6 producers for ethyl alcohol which is fully distilled and produced in South Dakota. To be eligible
7 for this payment, the ethyl alcohol shall be denatured and subsequently blended with gasoline to
8 create ethanol blend. The ethyl alcohol shall be ninety-nine percent pure and shall be distilled from
9 cereal grains. Annual production incentive payments for any facility may not exceed one million
10 dollars. An ethanol production facility is eligible for a production incentive payment under this
11 section only if the facility has produced qualifying ethyl alcohol on or before December 31, 2006.
12 No facility may receive any production incentive payments in an amount greater than ten million
13 dollars. The cumulative annual production incentive payments made under this section may not
14 exceed four million dollars for fiscal year 2003, five million dollars for fiscal year 2004, six million
15 dollars for fiscal year 2005, and seven million dollars thereafter. Payments from the ethanol fuel



1 fund shall be prorated ~~each month based on the claims received for that month~~ equally to all of
2 the facilities each month based on claims submitted for that month and the amount of funds
3 available for that month. No facility may receive payment for more than four hundred sixteen
4 thousand six hundred sixty-seven gallons per month. If excess funds are available in the fund in
5 any given month, payment may be made to facilities for previous months when funds were not
6 sufficient to pay the claims from the previous months. All moneys available in the ethanol fuel
7 fund at the end of the fiscal year shall be prorated equally to the facilities based upon all unpaid
8 claims received through the end of that fiscal year.