



States' Biofuels Statutes

STATE OF South Dakota

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#).

Current through the 2014 Legislative Session of the South Dakota General Assembly.

10-47B-162. Production incentive payments to ethanol producers for ethyl alcohol and to qualified biobutanol producers for biobutanol--Eligibility--Proration

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.

Source: [SL 1995, ch 71, § 159](#); [SL 1996, ch 47, § 18](#); [SL 1998, ch 72, § 1](#); [SL 2002, ch 66, § 1](#); [SL 2002, ch 170, § 2](#); [SL 2003, ch 70, § 1](#); [SL 2011, ch 62, § 1](#); [SL 2012, ch 71, § 3](#); [SL 2013, ch 61, § 1](#).

10-47B-163. Application for ethanol production incentive payment

Any ethanol producer who intends to file for an ethanol production incentive payment shall first apply to the secretary on prescribed forms and obtain an ethanol producer license issued by the department. Any person licensed pursuant to this chapter shall obtain a license, maintain records, submit claims, and conduct taxable fuel transactions in accordance with the provisions of this chapter.

Source: [SL 1995, ch 71, § 160.](#)

10-47B-164. Appropriation of money in ethanol fuel fund--Transfers of funds

Any money in the ethanol fuel fund is continuously appropriated for purposes of providing ethanol production payments to qualified ethanol producers for purposes of making deposits into the ethanol infrastructure incentive fund, and for purposes of making deposits into the revolving economic development and initiative fund. The department may receive and approve ethanol production incentive payment claims and authorize the issuance of payment warrants to licensed ethanol producer claimants based on claims presented by the licensees. At the end of each fiscal year, any unobligated cash in excess of one hundred thousand dollars in the ethanol fuel fund shall be transferred to the state highway fund.

There shall be a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2012 of one million dollars, a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2013 of one million dollars, a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2014 of five hundred thousand dollars, a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2015 of five hundred thousand dollars, and a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2016 of five hundred thousand dollars.

There shall be a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2012 of two million dollars, a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2013 of two million dollars, a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2014 of two million dollars, a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2015 of two million dollars, and a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2016 of two million dollars.

The transfers from the ethanol fuel fund to the ethanol infrastructure incentive fund and the revolving economic development and initiative fund in each fiscal year shall be made before any production incentive payment is made pursuant to § 10-47B-162 in the fiscal year.

No production incentive payment may be made pursuant to [§ 10-47B-162](#) unless the ethanol fuel fund has a balance of at least nine hundred fifty thousand dollars.

Source: [SL 1995, ch 71, § 161](#); [SL 2002, ch 170, § 3](#); [SL 2011, ch 62, § 4.](#)

10-47B-166. Denaturing of ethyl alcohol required for production incentive payment--Exception

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.

Source: [SL 1995, ch 71, § 163](#); [SL 1998, ch 73, § 1](#); [SL 2010, ch 66, § 24](#); [SL 2013, ch 61, § 2](#).