

**SENATE BILL NO. 2270**

Introduced by

Senators Trenbeath, Espegard, Nething

Representatives Kingsbury, Nelson

1 A BILL for an Act to create and enact sections 4-14.1-07.1 and 4-14.1-07.2 of the North Dakota  
2 Century Code, relating to ethanol plant production incentives; to amend and reenact section  
3 4-14.1-10 of the North Dakota Century Code, relating to the ethanol production incentive fund;  
4 and to provide a continuing appropriation.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** Section 4-14.1-07.1 of the North Dakota Century Code is created and  
7 enacted as follows:

8 **4-14.1-07.1. Ethanol plant production incentives - Report to budget section.**

9 1. a. An ethanol plant that was in operation before July 1, 1995, and which has a  
10 production capacity of fewer than fifteen million gallons [56781000 liters] of  
11 ethanol may receive up to six hundred thousand dollars in production  
12 incentives from the state for production in a fiscal year.

13 b. An ethanol plant that was in operation before July 1, 1995, and which  
14 produced fifteen million gallons [56781000 liters] or more in the previous fiscal  
15 year is eligible to receive up to three hundred thousand dollars in production  
16 incentives from the state in a fiscal year.

17 2. The agricultural products utilization commission shall determine the amount of  
18 production incentives to which a plant is entitled under this section by multiplying  
19 the number of gallons of ethanol produced by the plant and marketed to a  
20 distributor or wholesaler by forty cents. The commission shall forward the  
21 production incentives to the plant upon receipt of an affidavit by the plant indicating  
22 that the ethanol is to be sold at retail to consumers. The affidavit must be  
23 accompanied by an affidavit from a wholesaler or retailer indicating that the ethanol  
24 is to be sold at retail to consumers.

1           3. Within ninety days after the conclusion of the plant's fiscal year, the plant shall  
2           submit to the budget section of the legislative council a statement by a certified  
3           public accountant indicating whether the plant produced a profit from its operation  
4           in the preceding fiscal year, after deducting the payments received under this  
5           section.

6           **SECTION 2.** Section 4-14.1-07.2 of the North Dakota Century Code is created and  
7 enacted as follows:

8           **4-14.1-07.2. Ethanol production incentives - Payments for increased production.**

9           An ethanol plant that meets the eligibility criteria established in section 4-14.1-07.1 also is  
10          eligible to receive ethanol production incentive payments under section 4-14.1-08, provided the  
11          plant increases its production by the lesser of ten million gallons [37854000 liters] or fifty  
12          percent of its production capacity during any twelve-month period beginning on or after the  
13          effective date of this Act.

14          **SECTION 3. AMENDMENT.** Section 4-14.1-10 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16          **4-14.1-10. Ethanol production incentive fund - Continuing appropriation.** There is

17 created in the state treasury a special fund known as the ethanol production incentive fund.  
18 The fund consists of transfers made in accordance with section 39-04-39 and deposits made in  
19 accordance with section 57-43.1-03.1. All moneys in the fund are appropriated on a continuing  
20 basis to the agricultural products utilization commission for use in paying ethanol production  
21 incentives under sections ~~4-14.1-07~~ 4-14.1-07.1, 4-14.1-07.2, 4-14.1-08, and 4-14.1-09.