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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2003 Senate Bill 343</b>	<b>Senate Amendment 1</b>
<i>Memo published:</i> January 28, 2004	<i>Contact:</i> David L. Lovell, Senior Analyst (266-1537)

Under *current law*, the Department of Agriculture, Trade, and Consumer Protection (DATCP) makes payments to producers of ethanol. The payments are calculated on the basis of the amount of ethanol produced in the 12-month period beginning on March 1. The payments are made in the fiscal year that starts after the end of that 12-month period. Payments are made from a sum certain appropriation of general purpose revenue. The program will sunset on June 30, 2006, unless the Department of Transportation (DOT) makes a determination at an earlier date that ethanol sales in this state cause a reduction in certain federal transportation aids to this state, in which case it will sunset at that earlier date.

*2003 Senate Bill 343* makes a number of changes to the program. Among other changes, it increases from three to eight the number of years that an ethanol producer may receive payments, creates a new formula for calculating payments, creates a sum sufficient appropriation for payments, and repeals the sunset date for the program. It retains the provision that the program will sunset if the DOT determines that ethanol sales in this state cause a reduction in federal transportation aids.

*Senate Amendment 1* consists of two provisions:

The *bill* contains a nonstatutory provision giving the DATCP instructions on how to handle the transition from the old formula to the new formula for current recipients. It directs the DATCP to enter into new contracts with these recipients for payments for ethanol produced beginning on the effective date of the act (July 1, 2005). The *amendment* requires instead that the DATCP enter into new contracts for payments for ethanol produced beginning on March 1, 2005, the beginning of a 12-month period for calculating payments.

The *bill* provides that the new formula for payments first applies to ethanol produced on the effective date of the act (July 1, 2005). The *amendment* provides that the new formula first applies to ethanol produced on March 1, 2005, again, to correspond with the time frame used to calculate payments.

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