

2001 DRAFTING REQUEST

Bill

Received: 01/02/2001

Received By: traderc

Wanted: As time permits

Identical to LRB:

For: Tom Sykora (608) 266-1194

By/Representing: Marlin Hardinger

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Alt. Drafters:

Subject: Agriculture - miscellaneous

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Modify ethonal subsidy program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	traderc 01/22/2001	wjackson 01/23/2001	rschluet 01/24/2001	_____	lrb_docadmin 01/24/2001	lrb_docadminState 01/25/2001	
	traderc 02/06/2001			_____		lrb_docadmin 02/06/2001	

FE Sent For:

<END>

orig. "1" Jacket
Returned TO
Sykora

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Drafter: traderc

May Contact: Bob Sather, Govt. Affairs Director,
Chippewa Valley Realtors, (715) 835-0923
Subject: Agriculture - miscellaneous

Alt. Drafters:

Extra Copies:

Pre Topic:

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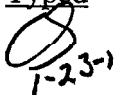
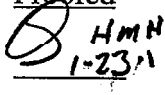
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1?	traderc	1 Wlj 1/23	 1-23-01	 HMH 1-23-01			

FE Sent For:

<END>

called Bob Sather - 1/17/2001

Tradewell, Becky

From: Hardinger, Marlin
Sent: Tuesday, January 02, 2001 2:03 PM
To: Tradewell, Becky
Subject: Ethanol

Hi Becky here is the fax and the first paragraph has the language that they want changed.
Thank you for your help.

Marlin
Marlin Hardinger
Legislative Assistant
Rep. Tom Sykora
(608) 266-1194
Marlin.Hardinger@legis.state.wi.us <<mailto:Marlin.Hardinger@legis.state.wi.us>>

-----Original Message-----

From: Faxination
Sent: Friday, December 29, 2000 12:28 PM
To: Sykora, Tom
Subject: Fax received (2p) from:'8354621' on ID:2823667



1CFE0000.tif

Incoming Fax:

Description:

Explanation:

Sent to:'2823667' CSID:8354621 (0)

Items received: 2

Duration: 96 seconds Transmission speed: 9600 baud
Gateway ID: 0 Job Reference: 1CFE1

Post-it® Fax Note	7671	Date	# of pages ▶ 2
To	Tam Sykora	From	Bob Sather
Co./Dept.		Co.	
Phone #		Phone #	
Fax #	282-6505	Fax #	

282-3667

A POLITICAL STRATEGY TO ENACT ETHANOL LEGISLATION IN THE STATE OF WISCONSIN SIMILAR TO THE STATE OF MINNESOTA

Assumption: Reasonably assured financial feasibility for a successful ethanol plant in Wisconsin is directly dependent upon the State of Wisconsin enacting legislation similar to the State of Minnesota. The fundamental salient elements to be incorporated in state legislation must be: 1) A subsidy of twenty cents per gallon, 2) A ten year commitment, 3) An appropriation of a sum sufficient for the projected number of plants in the state. It is suggested that the fiscal note to provide a sum sufficient would be as follows: FY-2002 at 15 million dollar, FY-2003 at 18 million dollars, FY-2004 at 21 million dollars, FY-2005 thought FY-2011 at 30 million dollars. The last six years would provide for the funding of 10 ethanol plants.

Legislative:

It is recommended that legislative efforts be bipartisan and that nearly equal time be spent with both Republicans and Democrats. Principle attention should be given to the leadership of both political parties. Specific legislators that should be contacted are:

Legislators in the district where the proposed sites are to be located. They are Tom Sykora (R), David Zien (R), Shela Harsdorf (R), Scott Suttor (R).

Legislators who represent the leadership to be contacted: Senate Majority Leader, Charles Chvala (D), Assistant Senate Majority Leader Rod Moen (D), Senate Minority Leader Mike Ellis (R), Assistant Minority Leader Margaret Farrow, (R). Also, the Co-Chairs of the Joint Finance Committee, Senator Gary George (D), and Representative John Gard. Additionally, the Chairs of the Agricultural, Natural Resources and Transportation should be contacted.

Administrative:

Governor Thompson may be leaving the state, however, the state budget will be the Thompson budget and Governor Thompson should be contacted to reaffirm his support. Scott McCallum who also has been supportive of business should be contacted for his support. Other agencies that should lend support are:

Department of Agriculture, Director Ben Brancel

Department of Commerce, Brenda Blanchard

Director of the Budget, Rick Chandler

Department of Natural Resources, George Meyer

1/22/01 Per Bob Sather - 1. sunset program in 2013

2. Repeal provision about termination if fed. trans. aid decreases.

***ETHANOL PRODUCTION ADVANTAGES FOR FARMERS, ECONOMIC
DEVELOPMENT AND THE ENVIRONMENT***
(A proposed 15 million gallon production plant)

A FACT SHEET

Preface: The State of Wisconsin has enacted legislation that authorizes a subsidy of 20 cents per gallon for each gallon of ethanol produced for a period of up to five years. However, no funds were appropriated. The State of Minnesota enacted similar ethanol legislation, but the Minnesota program provides a state subsidy of 20 cents per gallon for a period of 10 years and it has an annual sum sufficient appropriation of 34 million dollars during the current fiscal year that funds each of the existing 14 plants with up to 3 million dollars per year. The State of Wisconsin has no plants producing ethanol. This is ostensibly because the state simply has not provided a sufficient subsidy package to enhance the benefit to cost/risk factor. It is suggested that if the State of Wisconsin amends the existing ethanol legislation and provides the same positive subsidies as Minnesota has, it will be a win for the State, a win for farmers, a win for economic development and a win for the environment.

- **Farmers:** It will create a demand for about an additional 5.5 million bushels of corn per year for Wisconsin farmers and a long-term stable market for the sale of corn. It will increase the price of corn and provide financial security to farming communities. Distilled grains, a byproduct of ethanol, is in high demand by farmers for feed grain.
- **Economic Development:** The proposed production plant will create about 32 new jobs and create an overall value added economic impact of about 30 million dollars per year during the operational phase, (e.g., in ten years the overall value added economic impact will be about 300 million dollars.) It will provide a positive return value to the state beyond the proposed subsidy through payroll taxes, and corporate taxes. The State of Wisconsin will reduce its current 67 million gallons of imported ethanol, thus, reducing the state's imbalance of trade. An additional byproduct of producing ethanol is carbon dioxide gas that is sold commercially.
- **Environment:** Used as a blend in gasoline, about 10 percent by volume, it provides for cleaner gas emissions, reduces smog and because of an improved atmosphere, it improves the quality of life for humans. Currently, the EPA, requires six counties in Wisconsin to either blend gasoline with ethanol or MTBE. Many states have banned the use of MTBE because it inimical to health and the environment. The State of Minnesota requires all gasoline in the state to be blended with ethanol.



State of Wisconsin

2001 - 2002 LEGISLATURE

509N (in 1/22)

LRB-1742/1

RCT.....

WLJ

2001 BILL

GEN

1 AN ACT ...; relating to: payments to ethanol producers and making an
2 appropriation.

if the producer satisfies certain requirements

Analysis by the Legislative Reference Bureau

* Current law requires the department of agriculture, trade and consumer
* protection (DATCP) to make payments to an ethanol producer, that satisfies certain
requirements, during the first 60 months of ethanol production. The payments are
20 cents per gallon for not more than 15,000,000 gallons of ethanol produced within
12 months, except that, if there is insufficient funding, DATCP must prorate the
payments. The program ends on June 30, 2006, or earlier if DOT determines that
federal transportation aids are decreased because of ethanol sales in this state.

the department of transportation (DOT)

This bill creates a sum sufficient appropriation for payments by DATCP to
ethanol producers and eliminates the requirement that DATCP prorate payments
if funding is insufficient to make full payments. The bill provides for payments to
be made for the first 120 months of ethanol production, rather than the first 60
months. The bill also extends the program until June 30, 2013, and eliminates the
provision that ends the program earlier if the department of transportation
determines that federal transportation aids are decreased because of ethanol sales.

DOT

For further information see the state fiscal estimate, which will be printed as
an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do
enact as follows:

BILL

1 **SECTION 1.** 20.115 (1) (d) of the statutes is created to read:

2 20.115 (1) (d) *Payments to ethanol producers.* A sum sufficient for payments
3 to ethanol producers under s. 93.75. No funds may be encumbered under this
4 paragraph after June 30, 2013.

5 **SECTION 2.** 20.115 (3) (d) of the statutes is repealed.

6 **SECTION 3.** 93.75 (1) (b) of the statutes is amended to read:

7 93.75 (1) (b) The person has been producing ethanol in this state for fewer than
8 ~~60~~ 120 months.

History: 1999 a. 55.

9 **SECTION 4.** 93.75 (2) of the statutes is amended to read:

10 93.75 (2) **PAYMENTS.** The department shall pay a person who is eligible under
11 sub. (1) at the rate of 20 cents per gallon for not more than 15,000,000 gallons of
12 ethanol produced in this state within 12 months, ~~except that if there are insufficient~~
13 ~~funds to make payments at this rate to all eligible persons the department shall~~
14 ~~prorate the payments.~~

15 → *Section #. RP: 93.75(3)(c)*
15 **SECTION 5.** 93.75 (3m) of the statutes is repealed.

16 **SECTION 6.** 93.75 (4) of the statutes is amended to read:

17 93.75 (4) **SUNSET.** The department may not make a payment under this section
18 after June 30, 2006, ~~or the first day of the 6th month beginning after the department~~
19 ~~receives a notice under sub. (3m), whichever is sooner~~ 2013.

History: 1999 a. 55.

20

(END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

January 24, 2001

MEMORANDUM

To: Representative Sykora

From: Rebecca C. Tradewell, Managing Attorney

Re: LRB-1742 Modify ethonal subsidy program

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

~~X~~ JACKET FOR ASSEMBLY _____ JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-7290 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.

- 1742

The requester changed his mind about having this redrafted, so please re-jacket the I.I. Thanks,

Beddy

02-06-01