

2003 DRAFTING REQUEST

Bill

Received: **11/04/2003**

Received By: **btradewe**

Wanted: **Soon**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **Kurt Simatic**

This file may be shown to any legislator: **NO**

Drafter: **btradewe**

May Contact:

Addl. Drafters:

Subject: **Agriculture - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Freese@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Modify ethanol incentive 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> |
|--------------|------------------------|------------------------|------------------------|----------------|----------------------|-----------------|-----------------|
| /? | btradewe 11/04/2003 | wjackson 11/04/2003 | | _____ | | | State |
| /1 | | | pgreensl 11/04/2003 | _____ | lemery 11/04/2003 | | State |
| /2 | btradewe | wjackson | pgreensl | _____ | sbasford | lemery | |

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|----------------|-----------------|------------------|----------------|------------------|-----------------|-----------------|
| | 11/18/2003 | 11/19/2003 | 11/19/2003 _____ | | 11/19/2003 | 11/20/2003 | |

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: **11/04/2003**

Received By: **btradewe**

Wanted: **Soon**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **Kurt Simatic**

This file may be shown to any legislator: **NO**

Drafter: **btradewe**

May Contact:

Addl. Drafters:

Subject: **Agriculture - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Freese@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Modify ethanol incentive 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> |
|--------------|------------------------|------------------------|------------------------|----------------|----------------------|-----------------|-----------------|
| /? | btradewe 11/04/2003 | wjackson 11/04/2003 | | _____ | | | State |
| /1 | | | pgreensl 11/04/2003 | _____ | lemery 11/04/2003 | | State |
| /2 | btradewe | wjackson | pgreensl | _____ | sbasford | | |

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| | 11/18/2003 | 11/19/2003 | 11/19/2003 | _____ | 11/19/2003 | | |

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 11/04/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Stephen Freese (608) 266-7502

By/Representing: Kurt Simatic

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters:

Subject: Agriculture - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Freese@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Modify ethanol incentive 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> |
|--------------|------------------------|------------------------|------------------------|--------------------------------|----------------------|-----------------|-----------------|
| /? | btradewe 11/04/2003 | wjackson 11/04/2003 | | <u>11/19</u> | | | State |
| /1 | | 1/2 WJ 11/19 | pgreensl 11/04/2003 | <u>11/19</u> 11/19 PS/RS | lemery 11/04/2003 | | |

11/04/2003 04:42:27 PM

Page 2

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 11/04/2003

Received By: btradewe

Wanted: Soon

Identical to LRB:

For: Stephen Freese (608) 266-7502

By/Representing: Kurt Simatic

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters:

Subject: Agriculture - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Freese@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Modify ethanol incentive 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/? | btradewe | 1 Wlj 11/4 | 1/4 PS | 1/4 PS | | | |

FE Sent For:

<END>

11/4/03 Per Kurt - Enter a new LRB #

Make draft like - 3637, except

1. Effective 7/1/2005 - (change date in 93.75(1m) to 2006)
2. Reduce per gallon amount to 6.66 cents/gal.
3. \$4,000,000 For capon app.

OK to put file from - 2583 into new file

RCT

RESEARCH APPENDIX - Draft Transfer/Copy Request Form

- Atty's please complete this form and give to Mike Barman (or Lynn E. in his absence)

(Request Made By: RET) (Date: 11/14/03)



Please transfer the drafting file for

2001 LRB _____ to the drafting file

for 2003 LRB _____

The final version of the 2001 draft and the final Request Sheet will be copied on yellow paper, and returned to the original 2001 drafting file. A new cover sheet will be created/included listing the new location of the drafting file's "guts".

For research purposes, because the 2001 draft was incorporated into a 2003 draft, the complete drafting file will be transferred, as a separate appendix, to the new 2003 drafting file. This request form will be inserted into the "guts" of the 2003 draft. If introduced, the appendix will be scanned/added to the electronic drafting file folder.

— OR —

Please copy the drafting file for

2003 LRB - 2583 / 5 (include the version) and place it in the

drafting file for 2003 LRB - 3637

For research purposes, because the original 2003 draft was incorporated into another 2003 draft, the original drafting file will be copied on yellow paper (darkened/auto centered/reduced to 90%) and added, as a separate appendix, to the new 2003 drafting file. This request form will be inserted into the "guts" of the new 2003 draft. If introduced the appendix will be scanned/added to the electronic drafting file folder.

The original drafting file will then returned, intact, to it's folder and filed. For future reference, a copy of the transfer/copy request form will also be added to the "guts" of the original draft.

Thursday, if possible

2003 BILL

REGEN

1 AN ACT to repeal 93.75 (3) (c); to amend 20.115 (1) (d), 20.115 (1) (k), 93.75 (1)
 2 (intro.), 93.75 (1) (b), 93.75 (2), 93.75 (3m) (d) and 93.75 (4); and to create 93.75
 3 (1m) of the statutes; relating to: payments to ethanol producers and making
 4 an appropriation.

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 during its first 60 months of ethanol production if the producer satisfies certain requirements. 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. Current law requires the Department of Transportation (DOT) to determine whether federal transportation aids are decreased because of ethanol sales in this state. 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.

This bill creates a sum sufficient appropriation for payments by DATCP to ethanol producers, but provides that the total amount appropriated for the payments in a fiscal year may not exceed ~~\$6,000,000~~. The bill eliminates the requirement that DATCP prorate payments if funding is insufficient to make full payments. Under the bill, a producer is eligible for payments for its first 96 months of ethanol production. The bill requires DATCP and a producer to enter into a contract under which DATCP makes the payments. The bill limits the total number of contracts into

\$4,000,000

BILL

2006 which DATCP may enter to four, prohibits DATCP from entering into any contracts after June 30, 2006, and reduces the per-gallon payment to 10 cents. The bill also eliminates the June 30, 2006, ending date for the program, but does not eliminate the provision that ends the program if DOT determines that federal transportation aids are decreased because of ethanol sales.

666 beginning on July 1, 2005

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:

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

2 20.115 (1) (d) *Payments to ethanol producers.* ~~The amounts in the schedule A~~
 3 ~~sum sufficient~~ for payments to ethanol producers under s. 93.75. ~~No funds may be~~
 4 ~~encumbered under this paragraph after June 30, 2006 to the extent that the~~
 5 ~~payments are not made under par. (k). The amount appropriated under this~~
 6 ~~paragraph in a fiscal year may not exceed the difference between \$6,000,000 and the~~
 7 ~~amount appropriated under par. (k) in that fiscal year.~~

\$4,000,000

8 SECTION 2. 20.115 (1) (k) of the statutes is amended to read:

9 20.115 (1) (k) *Payments to ethanol producers.* The amounts in the schedule for
 10 payments to ethanol producers under s. 93.75. All moneys transferred from the
 11 appropriation account under s. 20.505 (8) (hm) 2m. shall be credited to this
 12 appropriation account. Notwithstanding s. 20.001 (3) (a), the unencumbered
 13 balance on June 30 of each year shall revert to the appropriation account under s.
 14 20.505 (8) (hm). ~~No funds may be encumbered under this paragraph after June 30,~~
 15 ~~2006.~~

16 SECTION 3. 93.75 (1) (intro.) of the statutes is amended to read:

17 93.75 (1) ELIGIBILITY. (intro.) ~~Beginning on July 1, 2001~~ Subject to sub. (1m),
 18 the department shall administer a program enter into a binding contract under

BILL

1 which the department makes payments, subject to sub. (4), to a person who produces
2 ethanol and who satisfies all of the following criteria:

3 **SECTION 4.** 93.75 (1) (b) of the statutes is amended to read:

4 93.75 (1) (b) The person has been producing ethanol in this state for fewer than
5 ~~60~~ 96 months.

6 **SECTION 5.** 93.75 (1m) of the statutes is created to read:

7 93.75 (1m) LIMIT ON NUMBER OF CONTRACTS. The department may not enter into
8 a total of more than 4 contracts under sub. (1) before July 1, ~~2005~~²⁰⁰⁶ The department
9 may not enter into any contracts under sub. (1) after June 30, ~~2005~~²⁰⁰⁶

10 **SECTION 6.** 93.75 (2) of the statutes is amended to read:

11 93.75 (2) PAYMENTS. The department shall pay a person who is eligible under
12 sub. (1) at the rate of ~~20~~^{6.66} ~~10~~ cents per gallon for not more than 15,000,000 gallons of
13 ethanol produced in this state within 12 months, ~~except that if there are insufficient~~
14 ~~funds to make payments at this rate to all eligible persons the department shall~~
15 ~~prorate the payments.~~

16 **SECTION 7.** 93.75 (3) (c) of the statutes is repealed.

17 **SECTION 8.** 93.75 (3m) (d) of the statutes is amended to read:

18 93.75 (3m) (d) If the department of transportation determines, during any year
19 ~~after December 31, 2004, and before January 1, 2006~~, that the amount of federal
20 moneys received by this state for highways and other surface transportation
21 purposes, excluding federal moneys received for railroads, is decreased due to
22 ethanol sales in this state, the department of transportation shall notify the
23 department of agriculture, trade and consumer protection of that determination not
24 sooner than October 1, ~~2005~~, and not later than December 31, ~~2005~~ of the following
25 year.

Simatic, Kurt

From: Simatic, Kurt
Sent: Friday, November 14, 2003 3:20 PM
To: Schneider, Christian
Subject: new ethanol proposal

Chris:

The new plan is similar to the old one but with two changes:

- The payments are based off a sliding scale over 8 years of eligibility

| | |
|---------------|--------------------------|
| Years 1 and 2 | \$1,250,000 per producer |
| Years 3 and 4 | \$1,000,000 per producer |
| Years 5 and 6 | \$750,000 per producer |
| Years 7 and 8 | \$500,000 per producer |

To come up with these amounts, we would use the following formulas:

10 cents per gallon payment X no more than 12,500,000 gallons produced in one year = \$1,250,000
10 cents per gallon payment X no more than 10,000,000 gallons produced in one year = \$1,000,000
10 cents per gallon payment X no more than 7,500,000 gallons produced in one year = \$750,000
10 cents per gallon payment X no more than 5,000,000 gallons produced in one year = \$500,000

Each producer would receive up to \$7 million over the life of their eligibility (it was \$8 million under the old plan)

This schedule of payments allows the cap on producers to be removed and reduces the amount of money spent in a fiscal year.

Kurt Simatic
Legislative Assistant
Speaker Pro Tem Steve Freese

+ Eliminate \$4,000,000 max. + limit on # of producers + prohibition on entering into new contracts after 6/30/2006.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3637A 2
RCT:wlj:pg YMY

Wednesday

2003 BILL

regenerate

1 AN ACT *to repeal* 93.75 (3) (c); *to amend* 20.115 (1) (d), 20.115 (1) (k), 93.75 (1)
2 (intro.), 93.75 (1) (b), 93.75 (2), 93.75 (3m) (d) and 93.75 (4); and *to create* 93.75
3 (1m) of the statutes; **relating to:** payments to ethanol producers and making
4 an appropriation.

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 during its first 60 months of ethanol production if the producer satisfies certain requirements. 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. Current law requires the Department of Transportation (DOT) to determine whether federal transportation aids are decreased because of ethanol sales in this state. 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.

This bill creates a sum sufficient appropriation for payments by DATCP to ethanol producers, ~~but provides that the total amount appropriated for the payments in a fiscal year may not exceed \$4,000,000.~~ The bill eliminates the requirement that DATCP prorate payments if funding is insufficient to make full payments. Under the bill, a producer is eligible for payments for its first 96 months of ethanol production. The bill requires DATCP and a producer to enter into a contract under which DATCP makes the payments. The bill ~~limits the total number of contracts into~~

BILL

1 which the department makes payments, subject to sub. (4), to a person who produces
2 ethanol and who satisfies all of the following criteria:

3 **SECTION 4.** 93.75 (1) (b) of the statutes is amended to read:

4 93.75 (1) (b) The person has been producing ethanol in this state for fewer than
5 ~~60~~ 96 months.

6 **SECTION 5.** 93.75 (1m) of the statutes is created to read:

7 93.75 (1m) **LIMIT ON NUMBER OF CONTRACTS.** The department may not enter into
8 a total of more than 4 contracts under sub. (1) before July 1, 2006. The department
9 may not enter into any contracts under sub. (1) after ~~June 30, 2006~~.

10 Please
Fix
Component

10 **SECTION 6.** 93.75 (2) of the statutes is amended to read:

renumbered 93.75 (2) (intro.) and

11 93.75 (2) **PAYMENTS.** The department shall pay a person who is eligible under
12 sub. (1) at the rate of 20 ¹⁰ ~~6.00~~ cents per gallon for not more than ^{the following} ~~15,000,000~~ gallons ^{number}
13 of ethanol produced in this state within 12 months, ~~except that if there are~~ ^{of}
14 ~~insufficient funds to make payments at this rate to all eligible persons the~~
15 department shall prorate the payments.

Inset
3-15

16 **SECTION 7.** 93.75 (3) (c) of the statutes is repealed.

17 **SECTION 8.** 93.75 (3m) (d) of the statutes is amended to read:

18 93.75 (3m) (d) If the department of transportation determines, during any year
19 after ~~December 31, 2004~~, and before ~~January 1, 2006~~, that the amount of federal
20 moneys received by this state for highways and other surface transportation
21 purposes, excluding federal moneys received for railroads, is decreased due to
22 ethanol sales in this state, the department of transportation shall notify the
23 department of agriculture, trade and consumer protection of that determination not
24 sooner than October 1, 2005, and not later than December 31, 2005 of the following
25 year.

2003-2004 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3637/2ins
RCT.....

Insert 3-15

SECTION ~~h~~[#] 93.75 (2) (a) to (d) of the statutes are created to read:

93.75 (2) (a) For the ~~1st~~^{STET} and 2nd 12 months, 12,500,000[✓] gallons.

(b) For the 3rd and 4th 12 months, 10,000,000[✓] gallons.

(c) For the 5th and 6th 12 months, 7,500,000[✓] gallons.

* (d) for the 7th and 8th 12 months, 5,000,000[✓] gallons.

Emery, Lynn

From: Simatic, Kurt
Sent: Thursday, November 20, 2003 11:31 AM
To: LRB.Legal
Subject: Draft review: LRB 03-3637/2 Topic: Modify ethanol incentive program

It has been requested by <Simatic, Kurt> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 03-3637/2 Topic: Modify ethanol incentive program