

2003 DRAFTING REQUEST

Bill

Received: 12/03/2003

Received By: btradewe

Wanted: Today

Identical to LRB:

For: Sheila Harsdorf (608) 266-7745

By/Representing: Chris Schneider

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: Sen.Harsdorf@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payments to ethanol producers

Instructions:

Like LRB-3637/2

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 12/03/2003	wjackson 12/03/2003					State
/1			pgreensl 12/03/2003		lnorthro 12/03/2003	lnorthro 12/03/2003	

FE Sent For:

**<END>**

2003 DRAFTING REQUEST

Bill

Received: 12/03/2003

Received By: btradewe

Wanted: Today

Identical to LRB:

For: Sheila Harsdorf (608) 266-7745

By/Representing: Chris Schneider

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: Sen.Harsdorf@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payments to ethanol producers

Instructions:

Like LRB-3637/2

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 12/03/2003	wjackson 12/03/2003					State
/1			pgreensl 12/03/2003		Inorthro 12/03/2003		

FE Sent For:

<END>

2003 DRAFTING REQUEST

Bill

Received: 12/03/2003

Received By: btradewe

Wanted: Today

Identical to LRB:

For: Sheila Harsdorf (608) 266-7745

By/Representing: Chris Schneider

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: Sen.Harsdorf@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Payments to ethanol producers

Instructions:

Like LRB-3637/2

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	1/1 WJ 12/3	12/3 PS	12/3 selb			

FE Sent For:

<END>

**Tradewell, Becky**

---

**From:** Schneider, Christian  
**Sent:** Wednesday, December 03, 2003 3:34 PM  
**To:** Tradewell, Becky  
**Subject:** FW: Freese/Harsdorf Co-sponsorship LRB 3637/2 payments to ethanol producers

Becky,

Is there any way we can get this bill drafted for the Senate by tomorrow morning?

Thanks,

Chris Schneider  
Sen. Harsdorf's Office

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

**From:** Rep.Freese  
**Sent:** Thursday, November 20, 2003 11:35 AM  
**To:** \*Legislative Assembly Republicans; \*Legislative Assembly Democrats; \*Legislative Senate Republicans; \*Legislative Senate Democrats  
**Subject:** Freese/Harsdorf Co-sponsorship LRB 3637/2 payments to ethanol producers

**DATE:** November 20, 2003

**TO:** Members of the Wisconsin Legislature

**FROM:** Rep. Steve Freese  
Sen. Sheila Harsdorf  
Rep. Jeff Wood  
Rep. Barbara Gronemus

**RE:** Co-sponsorship of LRB 3637/2, relating to payments to ethanol producers

This proposal continues the focus on economic development and the Agricultural Renewal Initiative introduced this legislative session.

The ethanol industry in the U.S. provides thousands of jobs and millions in tax revenue and economic activity every year. For example, a recent analysis of the ethanol industry in Minnesota concluded that the state's 14 producers provide almost 3000 jobs and over half a billion dollars in economic output. Wisconsin's ethanol industry (currently comprised of 3 producers) has enormous potential to benefit many sectors of our state's economy as well.

In order to help retain our producers and encourage expansion of the ethanol industry in Wisconsin, we are proposing modifications to the current ethanol producer grant program. These changes will focus on offsetting the enormous infrastructure and startup costs in the initial years of plant operation.

Under current law, an ethanol producer is eligible to receive payments for the first 5 years of production not to exceed \$3 million. However, decreased funding for the grant program (currently at \$1.9 million per year to be split among 3 producers) has resulted in prorated payments and uncertain payment schedules for investors and financial institutions.

This bill eliminates the requirement to prorate payments and appropriates the following amounts on a sliding scale over an ethanol plant's first 8 years of production as follows:

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

The changes would take effect in the 2005-07 biennium.

**If you would like to co-sponsor LRB 3637/2 and its Senate companion, please call Rep. Freese's office (6-7502) or Sen. Harsdorf's office (6-7745) by Wednesday, December 3rd. You will automatically be signed onto both bills unless otherwise requested.**

*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. 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 reduces the per gallon payment to ten cents beginning on July 1, 2005. Under the bill, a producer would be eligible for the per gallon payment for 12,500,000 gallons of ethanol for its first two years, 10,000,000 gallons for its third and fourth years, 7,500,000 gallons for its fifth and sixth years, and 5,000,000 gallons for its seventh and eighth years. The bill also eliminates the June 20, 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.*

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



03-36372.pdf

Wanted Thurs 9a.m.

# 2003 BILL

No changes

REGEN

1 AN ACT *to repeal* 93.75 (3) (c); *to renumber and amend* 93.75 (2); *to amend*  
 2 20.115 (1) (d), 20.115 (1) (k), 93.75 (1) (intro.), 93.75 (1) (b), 93.75 (3m) (d) and  
 3 93.75 (4); and *to create* 93.75 (2) (a) to (d) of the statutes; **relating to:**  
 4 payments to ethanol producers and making 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. 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 reduces the per-gallon payment to ten cents beginning on July 1, 2005. Under the bill, a producer would be eligible for the per-gallon payment for



**BILL**

12,500,000 gallons of ethanol for its first two years, 10,000,000 gallons for its third and fourth years, 7,500,000 gallons for its fifth and sixth years, and 5,000,000 gallons for its seventh and eighth years. 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.

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).~~

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

7           20.115 (1) (k) *Payments to ethanol producers.* The amounts in the schedule for  
8 payments to ethanol producers under s. 93.75. All moneys transferred from the  
9 appropriation account under s. 20.505 (8) (hm) 2m. shall be credited to this  
10 appropriation account. Notwithstanding s. 20.001 (3) (a), the unencumbered  
11 balance on June 30 of each year shall revert to the appropriation account under s.  
12 20.505 (8) (hm). ~~No funds may be encumbered under this paragraph after June 30,~~  
13 ~~2006.~~

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

15           93.75 (1) **ELIGIBILITY.** (intro.) ~~Beginning on July 1, 2001 the~~ The department  
16 shall ~~administer a program~~ enter into a binding contract under which the  
17 department makes payments, subject to sub. (4), to a person who produces ethanol  
18 and who satisfies all of the following criteria:

**BILL**

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

2           93.75 (1) (b) The person has been producing ethanol in this state for fewer than  
3           ~~60~~ 96 months.

4           **SECTION 5.** 93.75 (2) of the statutes is renumbered 93.75 (2) (intro.) and  
5           amended to read:

6           93.75 (2) PAYMENTS. (intro.) The department shall pay a person who is eligible  
7           under sub. (1) at the rate of ~~20~~ 10 cents per gallon for not more than ~~15,000,000~~ the  
8           following number of gallons of ethanol produced in this state within 12 months,  
9           ~~except that if there are insufficient funds to make payments at this rate to all eligible~~  
10          ~~persons the department shall prorate the payments.~~

11          **SECTION 6.** 93.75 (2) (a) to (d) of the statutes are created to read:

12          93.75 (2) (a) For the 1st and 2nd 12 months, 12,500,000 gallons.

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

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

15          (d) For the 7th and 8th 12 months, 5,000,000 gallons.

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.



**Northrop, Lori**

---

**From:** Wuebke, Matt  
**Sent:** Wednesday, December 03, 2003 4:06 PM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB 03-3824/1 Topic: Payments to ethanol producers

It has been requested by <Wuebke, Matt> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-3824/1 Topic: Payments to ethanol producers