

HOUSE RESEARCH

Bill Summary

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Authors: Swenson

Subject: Ethanol producer payments

Analyst: Sam Rankin 651-296-5047

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Overview

House File 994 amends the ethanol producer payment program and reduces future payments from \$0.20 to \$0.10 per gallon.

Section

- 1** **Definitions.** Amends existing statute by deleting obsolete definitions.
- 2** **Payments.** Amends the ethanol producer payment schedule by closing the payment rate of \$0.20 per gallon as of October 1, 2002. Between October 1, 2002 and the end of fiscal year 2003, payments per gallon are in an amount determined by the governor. After June 30, 2003, payments for eligible ethanol production will be at the rate of \$0.10 per gallon.

Applications for payment must be accompanied by a disclosure form detailing the business structure of the producer, details on the distribution of income, and any ownership interest exceeding five percent of the organization.

Ethanol producer payments must not be made to a producer that has less than a majority of Minnesota farmer control.

An ethanol producer located in a city of the first class is exempted from the ownership restrictions.

If ownership of a producer by Minnesota farmers falls to less than a majority, the producer must repay all ethanol producer payments received in the previous two years.

- 3** **Repealer.** Subdivisions of statute not needed under the revised program are repealed.

