

State of South Dakota
EIGHTY-FIFTH SESSION LEGISLATIVE ASSEMBLY, 2010

426R0044	HOUSE BILL NO. 1192
----------	----------------------------

Introduced by: Representatives Fargen, Blake, Bolin, Boomgarden, Brunner, Burg, Carson, Cronin, Dennert, Elliott, Faehn, Feickert, Feinstein, Frerichs, Gibson, Gosch, Greenfield, Hamiel, Hoffman, Hunhoff (Bernie), Iron Cloud III, Killer, Kirkeby, Kirschman, Krebs, Lange, Lucas, McLaughlin, Moser, Noem, Novstrup (David), Nygaard, Olson (Betty), Pitts, Rausch, Rave, Rounds, Schlekeway, Schrempp, Solberg, Solum, Sorenson, Street, Thompson, Van Gerpen, Vanderlinde, Vanneman, Wink, and Wismer and Senators Knudson, Abdallah, Ahlers, Bartling, Bradford, Brown, Dempster, Gant, Garnos, Gillespie, Gray, Hanson (Gary), Heidepriem, Hundstad, Jerstad, Kloucek, Maher, Merchant, Miles, Nesselhuf, Novstrup (Al), Olson (Russell), Peterson, and Turbak Berry

FOR AN ACT ENTITLED, An Act to establish an incentive grant program for the installation of ethanol blender pumps and to make an appropriation therefor. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA: Section 1. The ethanol blender pump incentive grant program is hereby established and shall be administered by the Department of Tourism and State Development. Under the program, the department shall award incentive grants to motor fuel retail dealers as defined in § 10-47B-3 for the installation of ethanol blender pumps and associated piping and storage systems and related equipment at facilities operated by the retail dealers for the sale of motor fuel to the public. No grant under the program may exceed five thousand dollars, and no retail dealer may receive more than one grant per retail location. To be eligible for a grant, a retail dealer shall be a South Dakota resident and the facility shall be located in South Dakota. Grants may be made under the program at any time after the effective date of this Act if funds are available in the ethanol blender pump incentive grant fund established pursuant to section 4 of this Act. The department may use up to five percent of any amount appropriated to the ethanol blender pump incentive fund for administration, the dissemination of information related to the ethanol blender pump incentive program, and the dissemination of information related to the benefits of ethanol. Section 2. For purposes of this Act, the term, ethanol blender pump, refers to a mechanism provided by the retail dealer for the dispensing at retail of ethanol blend as defined in § 10-47B-3 so that the end user may select the ratio of ethanol to gasoline to be dispensed. The pump shall be the type that:

- (1) Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the purchaser;
- (2) Is manufactured to an industry standard and carries a warranty for compatibility with dispenser components and storage and piping systems;
- (3) Has at least four hoses and dispenses the following:
 - (a) Either a blend of ten percent ethanol or the minimum blend percentage approved for all vehicles by the United States Environmental

Protection Agency;

(b) A blend of at least twenty percent ethanol; and

(c) E85 fuel; and

(4) Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.

For purposes of this Act, the term, E85 fuel, means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline; typically contains

eighty-five percent ethanol by volume but must at a minimum contain sixty percent ethanol by volume; and complies with the American Society for Testing Materials specification D 5798-96, as amended to January 1, 2010.

Section 3. The Department of Tourism and State Development shall promulgate rules pursuant to chapter 1-26 governing the ethanol blender pump incentive grant program. The rules shall include the following:

(1) Requirements and specifications for ethanol blender pumps and associated equipment, and for their installation and operation;

(2) Procedures and requirements for verifying the cost of blender pumps and associated equipment;

(3) Eligibility criteria and criteria for selecting grant recipients in accordance with the requirements of this Act;

(4) Grant application and award procedures and requirements under the program;

(5) Reporting and accounting procedures and requirements for grant funds awarded;

(6) Procedures to provide for the deposit of money from sources other than legislative appropriation into the ethanol blender pump incentive grant fund created in section 4 of this Act and procedures to publicize the existence of the grant program and the use of outside funds for the program;

(7) Other procedures necessary for the administration of the grant program.

Section 4. There is hereby created a special fund within the Department of Tourism and State Development known as the ethanol blender pump incentive grant fund. Money in the fund may only be used to provide incentive grants pursuant to this Act and as otherwise provided in section 1 of this Act. The fund consists of legislative appropriations, donations, interest on investments, and moneys from all legal public and private sources, including federal grants. All

funds received in the ethanol blender pump incentive grant fund shall be set forth in an informational budget as described in § 4-7-7.2.

Section 5. There is hereby appropriated the sum of two million dollars (\$2,000,000), or so much thereof as may be necessary, in federal fund expenditure authority, to the Department of Tourism and State Development for the expenditure of funds received through the American Recovery and Reinvestment Act of 2009, P.L. 111-5 to implement the ethanol blender pump incentive grant program as provided in this

Act. Section 6. The secretary of tourism and state development shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.