

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

1 FOR AN ACT ENTITLED, An Act to establish an incentive grant program for the installation
2 of ethanol blender pumps and to make an appropriation therefor.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. The ethanol blender pump incentive grant program is hereby established and shall
5 be administered by the Department of Tourism and State Development. Under the program, the
6 department shall award incentive grants to motor fuel retail dealers as defined in § 10-47B-3 for
7 the installation of ethanol blender pumps and associated piping and storage systems and related
8 equipment at facilities operated by the retail dealers for the sale of motor fuel to the public. No
9 grant under the program may exceed five thousand dollars, and no retail dealer may receive
10 more than one grant per retail location. To be eligible for a grant, a retail dealer shall be a South



1 Dakota resident and the facility shall be located in South Dakota. Grants may be made under the
2 program at any time after the effective date of this Act if funds are available in the ethanol
3 blender pump incentive grant fund established pursuant to section 4 of this Act. The department
4 may use up to five percent of any amount appropriated to the ethanol blender pump incentive
5 fund for administration, the dissemination of information related to the ethanol blender pump
6 incentive program, and the dissemination of information related to the benefits of ethanol.

7 Section 2. For purposes of this Act, the term, ethanol blender pump, refers to a mechanism
8 provided by the retail dealer for the dispensing at retail of ethanol blend as defined in
9 § 10-47B-3 so that the end user may select the ratio of ethanol to gasoline to be dispensed. The
10 pump shall be the type that:

- 11 (1) Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the
12 purchaser;
- 13 (2) Is manufactured to an industry standard and carries a warranty for compatibility with
14 dispenser components and storage and piping systems;
- 15 (3) Has at least four hoses and dispenses the following:
 - 16 (a) Either a blend of ten percent ethanol or the minimum blend percentage
17 approved for all vehicles by the United States Environmental Protection
18 Agency;
 - 19 (b) A blend of at least twenty percent ethanol; and
 - 20 (c) E85 fuel; and
- 21 (4) Complies with all alternative fuel, biofuel, and flexible fuel requirements established
22 by law.

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

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

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

- 7 (1) Requirements and specifications for ethanol blender pumps and associated
8 equipment, and for their installation and operation;
- 9 (2) Procedures and requirements for verifying the cost of blender pumps and associated
10 equipment;
- 11 (3) Eligibility criteria and criteria for selecting grant recipients in accordance with the
12 requirements of this Act;
- 13 (4) Grant application and award procedures and requirements under the program;
- 14 (5) Reporting and accounting procedures and requirements for grant funds awarded;
- 15 (6) Procedures to provide for the deposit of money from sources other than legislative
16 appropriation into the ethanol blender pump incentive grant fund created in section
17 4 of this Act and procedures to publicize the existence of the grant program and the
18 use of outside funds for the program;
- 19 (7) Other procedures necessary for the administration of the grant program.

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

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

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

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