

## CHAPTER 41A

AGRICULTURAL RESOURCE LOAN GUARANTY  
PROGRAM

41A.02 Definitions; actions by the state.  
41A.05 Minnesota agricultural and economic development account and bonds.

41A.09 Ethanol development.

**41A.02 DEFINITIONS; ACTIONS BY THE STATE.**

*[For text of subds 1 to 3, see M.S.1988]*

**Subd. 4. Minnesota agricultural and economic development account; development account.** "Minnesota agricultural and economic development account" or "development account" means the account created by section 41A.05.

*[For text of subds 5 to 17, see M.S.1988]*

**History:** 1989 c 335 art 4 s 12

**41A.05 MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT ACCOUNT AND BONDS.**

**Subdivision 1. Establishment of account.** The Minnesota agricultural and economic development account is established in the special revenue fund and may be invested separately from all other funds of the state. All money appropriated to the account, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the account are appropriated to the board to carry out the purposes of this chapter. The board may maintain or establish within the Minnesota agricultural and economic development account reserve accounts, project accounts, trustee accounts, special guaranty fund accounts, or other restrictions it determines necessary or appropriate. The board may enter into pledge and escrow agreements or indentures of trust with a trustee for the purpose of maintaining the accounts.

*[For text of subds 2 to 5, see M.S.1988]*

**History:** 1989 c 335 art 4 s 13

**41A.09 ETHANOL DEVELOPMENT.**

**Subdivision 1. Appropriation.** A sum sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of revenue and all money so appropriated is available until expended.

**Subd. 2. Definitions.** For purposes of this section the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means agriculturally derived fermentation ethyl alcohol of a purity of at least 99 percent, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from the following agricultural products: potatoes, cereal, grains, cheese whey, or sugar beets.

(b) "Wet alcohol" means agriculturally derived fermentation ethyl alcohol having a purity of at least 50 percent but less than 99 percent.

**Subd. 3. Payments from fund.** The commissioner of revenue shall make cash payments to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

- (a) For each gallon of ethanol produced:
  - (1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;
  - (2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.
- (b) For each gallon produced of wet alcohol during the period beginning July 1, 1989, and ending June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.
- (c) The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

**Subd. 4. Rulemaking authority.** The commissioner shall adopt emergency and permanent rules to implement this section.

**Subd. 5. Expiration.** This section expires July 1, 2000, and the unobligated balance of each appropriation under this section on that date reverts to the general fund.

**Subd. 6. Continued payments.** A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, 2000.

**History:** 1989 c 257 s 1,2; 1989 c 269 s 37; 1989 c 277 art 1 s 2