

Extension of the Agricultural Ethyl Alcohol Producer Incentive Fund

HB 2122 makes several changes to the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund (Incentive Fund). The bill extends the sunset date for the Incentive Fund from July 1, 2011, to July 1, 2018; reduces the maximum incentive rate for all producers from \$0.075 per gallon to \$0.035 per gallon; allows any producer of agricultural ethyl alcohol (ethanol) who begins production on or after July 1, 2001, but prior to July 1, 2012, to receive \$0.035 per gallon of ethanol sold, if the producer has sold at least 5.0 million gallons; allows any producer of cellulosic alcohol who begins production on or after July 1, 2012, to receive \$0.035 per gallon of ethanol sold, if the producer has sold at least 5.0 million gallons. This last provision does not apply to producers who commence alcohol production from grain. On June 30 of each fiscal year, the bill requires transfer of any unencumbered balance in the Incentive Fund to the Motor Vehicle Fuel Tax Refund Fund.