

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 21, 1999 LB 605

on any coherent basis what I thought the pertinent choices were. But the bill that came to us in terms of the gasoline tax credits were deemed to be a marketing incentive and that is what was advanced to you. Now, what the Revenue Committee amendments do is limit that two-cent per gallon incentive that was in Senator Stuhr's bill to the funding that is in a fund called the EPIC Fund that is derived from checkoff dollars. That source of funds is due to terminate and when it terminates the current status of the fund is expected to be a surplus, maybe as much as \$11 million surplus, at the time the checkoff would terminate, and it's supposed to sunset automatically, as I understand things. So what the committee brought to you is a proposal to use those surplus funds, which we think might be in the neighborhood of \$11 million, as a marketing incentive of two cents per gallon for ethanol. In other words, you'd expect to see a two-cent reduction in the price of ethanol at the pump and that that would be an incentive for the purchase of alcohol...of ethanol and, therefore, an incentive for the production of ethanol. The committee agreed with that rationale, but thought that we should not, over time, have an impact on either the General Fund or, in the case the way the bill was drafted, it would have have an impact on the Highway Trust Fund. We disagreed with that approach and said, look, we'll limit this. So long as we have excess dollars in the EPIC Fund we'll continue the two dollar marketing...or two-cent per gallon marketing incentive for ethanol, and at the time...such time as there is less than a million dollars left in that fund we will terminate the marketing incentive. That is the committee amendment. I'm, as Senator Stuhr indicated, you're going to be asked to defeat the committee amendments so that consideration of another kind of approach can be considered. I think that between the committee amendment, the bill as introduced, and the amendment that is going to be offered to you, that you will have a full explanation and description of the ethanol program, its merits, benefits and potentially even its drawbacks, so I hope that you look forward to that discussion. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. For discussion on the committee amendments, Senator Janssen.

SENATOR JANSSEN: Thank you, Mr. Lieutenant Governor and colleagues. While we're on the subject, maybe this isn't the