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LB 479

SENATOR BAKER: Well if they had to meet all the...

SENATOR CUNNINGHAM: ...Attorney General's Opinion...

SENATOR BAKER: If they can meet all the stipulations, the requirements in this amendment when it's signed into law, yes, there's still that possibility that they could qualify for EPIC funds. They will not be able to qualify for LB 775 funds, due to the language on page 11, says they have to have that 100,000-gallon annual plant up to production of 15 million gallons on an annual basis by October 1 of this year.

SENATOR CUNNINGHAM: Okay. So...losing my train of thought here, Senator Baker. But how about the proration language? Is there anything about proration in this amendment?

SENATOR BAKER: Yes, it's still in there.

SENATOR CUNNINGHAM: So do you think that...you know, they have a contract. Do you think that's legal to do that?

SENATOR BAKER: You know, our contract says that we will issue the certificates, and it doesn't say what value the contract...that a certificate may be worth when they take that...when that ethanol producer produces the ethanol, he come in and document that with the Department of Revenue. The Department of Revenue issues a certificate for a fuel tax refund that they have to take to a jobber. And that jobber typically has been paying 95 to 97 percent, I think, the face value of these certificates. That's between the holder of that ethanol certificate and the jobber. And we can go ahead and issue that. They may not honor them if they can't get the money, if the money's not available because it's prorated, and so on. There is a question there as to what they will be paid for that certificate, whether it's 95 percent of face value, 99, or it might be 50 percent.

SENATOR CUNNINGHAM: I've just heard a lot of scuttlebutt. A lot of people that I've talked to think that we need to...we can't prorate.