1	STATE OF SOUTH DAKOTA						
2	GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT						
3	_ = = = = = = = = = = = = = = = = = = =						
4							
5	Sections 31:02:01:01 through						
6	31:02:01:12, inclusive ORIGINAL						
7							
8							
9	RULES HEARING						
10	Transcript of Hearing September 10, 2025						
11	11:30 a.m.						
12							
13	BEFORE THE HONORABLE CATHERINE WILLIAMSON ADMINISTRATIVE LAW JUDGE, OFFICE OF HEARING EXAMINERS						
14							
15	APPEARANCES						
16	AARON SCHEIBE MAY, ADAM, GERDES & THOMPSON						
17	503 South Pierre Street Pierre, South Dakota 57501						
18	ALSO PRESENT: Jack Valentine						
19	Bill Even (via Zoom)						
20							
21							
22							
23							
23							
25							
∠ O							

The following Transcript of Hearing was taken at the Dolly-Reed Plaza, 711 East Wells Avenue, Pierre, South Dakota, on the 10th day of September, 2025, commencing at 11:30 a.m.; before Cheri McComsey Wittler, a Registered Professional Reporter, Certified Realtime Reporter, and Notary Public within and for the State of South Dakota.

```
1
              ADMINISTRATIVE LAW JUDGE: We'll go on the
2
     record in the matter of the public hearing of the GOED
 3
    and the ethanol meeting. And Chairman Bill Even is here.
 4
    And this is in regards to the article -- Administrative
 5
    Rules Article 31:02, the Ethanol Infrastructure Incentive
    Program. And this is a public hearing about these rules.
 6
              We are here at the GOED conference room in
7
8
    Pierre, South Dakota. This is a public hearing. There's
    no members of the public present today.
                                              They could be
10
    here if they wanted to be to present evidence or present
11
     testimony in regards to these rules.
              I'm going to ask a member of Governor's Office
12
13
    of Economic Development to speak about these rules for
14
    Chapter 31:02:01.
15
              MR. SCHEIBE: And --
16
              ADMINISTRATIVE LAW JUDGE: Go ahead,
17
    Mr. Scheibe.
18
              MR. SCHEIBE: Yeah. I'm sorry, Ms. Williamson.
19
     If I could just again jump in and on the record just want
20
     to make sure everybody's clear that this is a continued
2.1
    hearing that has been continued since August 13 when
22
    these rules were last considered by the agency. And
23
    Mr. Valentine, I think, can speak to anything that's
24
    happened since then.
```

ADMINISTRATIVE LAW JUDGE:

Very good.

25

1 Mr. Valentine.

2.1

MR. VALENTINE: Yes. Thank you. Jack
Valentine, Director of Finance for the Governor's Office
of Economic Development. Good morning.

This is Chapter 31:02:01, the Ethanol

Infrastructure Incentive Program. A number of changes
have been proposed to this chapter due to the E-15 rebate
program that was enacted by the Legislature during the
2024 session. Those changes are substantial in nature.

In addition to the substantial changes, there were some style and form changes that were proposed by Legislative Research Council code counsel. In working with GOED's legal counsel and LRC's code counsel, we were able to come to agreement on those style and form edits. Those have been adopted in the rules that are presented before you.

Moving into the chapter, in 32:01:01,

Definitions, there's an addition for E-15, an ethanol

blend containing between 10 and one-half percent and

15 percent ethanol. There's some references again to

E-15 and the fuel tax refund that was created by

South Dakota Codified Law 10-47B-192 which is

administered under this chapter, as well as the addition

of the definition for a licensed marketer being a person

licensed by the Department of Revenue pursuant to

Chapter 10-47B who qualifies for a fuel tax refund under South Dakota Codified Law 10-47B-192.

1

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Eligible projects and activities are noted in 31:02:01:02, mainly the addition of Class 5, motor fuel tax refunds to licensed marketers for calendar years 2025 to 2029 inclusive, which is calculated from the number of gallons of E-15 dispensed through motor fuel pumps located on the marketers' retail premises in the state during the preceding calendar year.

For the purposes of this section, flex fuel vehicle means a motor vehicle designed to burn either gasoline or a blend of gasoline and up to 85 percent ethanol. That activity and that class of activity is captured throughout the remainder of the Chapter 31:02; with regard to other eligibility criteria in Section 01:03; with regard to grant conditions in Section 01:04; with regard to allocation of grant funds among classes of projects in Section 01:05; with regard to application form in Section 01:06; with regard for criteria for grant awards in Section 01:07. And then the addition of 01:07.01, fuel tax refund administration payment added, as GOED shall pay motor fuel tax refunds described in Subdivision 31:02:01:02(5) as follows: (1), GOED shall make a final determination of refund eligibility and amount within 90 days of receiving the completed

application; (2), subject to Subdivision 3 of this section, the refund amount for an eligible licensed marketer is as provided in South Dakota Codified Law 10-47B-192; and, (3), if monies allocated from the Ethanol Infrastructure Incentive Fund for motor fuel tax refunds are insufficient to pay the full refund amount to all licensed marketers for the preceding calendar year, GOED must prorate each licensed marketer's refund and pay the refund as a percentage of the overall allocation. This percentage is equal to the licensed marketer's number of gallons of E-15 sold and dispensed divided by the total number of gallons of E-15 sold and dispensed by all licensed marketers eligible for motor fuel tax refund.

Again, carrying forward the changes to accommodate the E-15 rebate program in Section 01:08, default; also in Section 01:09, remedies; also within Section 01:10, access and reporting. And, finally, in 31:02:01:11, the addition of an -- in an appeal of a denied fuel tax refund application, a licensed marketer may appeal a denial of an application for a motor fuel tax refund using the contested case procedures set forth in South Dakota Codified Law Chapter 1-26. The appeal commences when the licensed marketer informs the GOED commissioner of the appeal in writing within 10 business

days of receiving the denial from GOED. 1 2 That is Chapter 31:02:01, Ethanol Infrastructure 3 Incentive Program, with the changes presented as staff 4 recommends Commissioner Even accepts and adopts those changes. 6 MR. SCHEIBE: And if I may, Ms. Williamson, 7 because this is an agency rules hearing, there will be --8 the public comment period extends for 10 days past today's hearing date. So there won't be any final agency 10 action taken until the comment period is closed, and then 11 the agency will make a determination at that time. 12 ADMINISTRATIVE LAW JUDGE: Very good. 13 And this matter was published pursuant to state 14 law? 15 MR. VALENTINE: Yes. 16 ADMINISTRATIVE LAW JUDGE: Very good. 17 have in front of me the affidavits of publication. I've 18 seen those, and they have been published in those papers. 19 With that, is there any comments from the 20 Is there any public online that wish to comment public? 21 either for or against these rules?

MR SCHEIRE: And Ms Willia

Seeing or hearing none --

22

23

24

25

MR. SCHEIBE: And, Ms. Williamson, again Aaron Scheibe for staff as counsel.

I would just ask Mr. Valentine to confirm that

```
there were no comments received on this to date.
1
              MR. VALENTINE: Correct. No comments have been
2
3
     received on the rules.gov website nor through GOED's
4
     inquiry line nor on its phone line regarding these
5
     Ethanol Infrastructure incentive Program rules changes.
 6
              ADMINISTRATIVE LAW JUDGE: Very good.
7
              Are there any further comments to be made
    regarding this matter today?
8
9
              Very good.
10
              Thank you, Mr. Even, for allowing me to be here
11
     today. And, with that, we'll be off the record. Thank
12
     you very much.
13
              (The hearing is concluded at 11:44 a.m.)
14
15
16
17
18
19
20
21
22
23
24
25
```

1	STATE OF SOUTH DAKOTA)
2	:SS CERTIFICATE
3	COUNTY OF SULLY)
4	
5	I, CHERI MCCOMSEY WITTLER, a Registered
6	Professional Reporter, Certified Realtime Reporter, and
7	Notary Public in and for the State of South Dakota:
8	DO HEREBY CERTIFY that as the duly-appointed
9	stenographic court reporter, I took the proceedings had
LO	in the above-entitled matter on the 10th day of
L1	September, 2025, and that the attached is a true and
L2	correct transcription of the proceedings so taken.
L3	Dated at Onida, South Dakota this 15th day of
L 4	September, 2025.
L5	
L6	
L7	/a/ Chani MaCamaan Wibblan
L8	/s/ Cheri McComsey Wittler Cheri McComsey Wittler
L9	Notary Public and Registered Professional Reporter
20	Certified Realtime Reporter
21	
22	
23	
24	
25	

		I		
1	7	Avenue [1] - 2:2	Council [1] - 4:12 COUNTY [1] - 9:3	Ethanol [4] - 3:5, 4:5, 1 6:5, 7:2
/s [1] - 9:17	711 [1] - 2:2	awards [1] - 5:20	court [1] - 9:3	evidence [1] - 3:10
		В	created [1] - 4:21	EXAMINERS [1] - 1:13
0	8		criteria [2] - 5:15, 5:19	extends [1] - 7:8
01:03 [1] - 5:16	85 [1] - 5:12	BEFORE [1] - 1:12 between [1] - 4:19		_
01:04 [1] - 5:16	•• [1] • <u> </u>	Bill [2] - 1:18, 3:3	D	F
01:05 [1] - 5:18	9	blend [2] - 4:19, 5:12	DAKOTA [2] - 1:1, 9:1	final [2] - 5:24, 7:9
01:06 [1] - 5:19	90 [1] - 5:25	burn [1] - 5:11	date [2] - 7:9, 8:1	finally [1] - 6:18
01:07 [1] - 5:20	90 [1] = 0.20		Dated [1] - 9:13	Finance [1] - 4:3
01:07.01 [1] - 5:21 01:08 [1] - 6:16	Α	С	days [3] - 5:25, 7:1,	flex [1] - 5:10
01:09 [1] - 6:17		calculated [1] - 5:6	7:8 default [1] - 6:17	following [1] - 2:1 follows [1] - 5:23
01:10 [1] - 6:18	a.m [3] - 1:10, 2:4, 8:13	calendar [3] - 5:5, 5:9,	definition [1] - 4:24	form [3] - 4:11, 4:14,
	Aaron [1] - 7:23	6:7	definitions [1] - 4:18	5:19
1	AARON [1] - 1:15	captured [1] - 5:14 carrying [1] - 6:15	denial [2] - 6:21, 7:1	forth [1] - 6:22
1 [1] - 5:23	above-entitled [1] -	carrying[1] - 6.15	denied [1] - 6:20	forward [1] - 6:15
1-26 [1] - 6:23	9:10	CATHERINE [1] - 1:12	Department [1] - 4:25	front [1] - 7:17 fuel [11] - 4:21, 5:1,
10 [4] - 1:10, 4:19,	accepts [1] - 7:4 access [1] - 6:18	CERTIFICATE[1] -	described [1] - 5:22 designed [1] - 5:11	5:4, 5:7, 5:10, 5:21,
6:25, 7:8	access[1] - 0.16	9:2	determination [2] -	5:22, 6:5, 6:13, 6:20,
10-47B [1] - 5:1	6:16	Certified [3] - 2:5, 9:6,	5:24, 7:11	6:21
10-47B-192 [3] - 4:22, 5:2, 6:4	action [1] - 7:10	9:19 CERTIFY [1] - 9:8	Development [2] -	full [1] - 6:6
10th [2] - 2:3, 9:10	activities [1] - 5:3	Chairman [1] - 3:3	3:13, 4:4	Fund [1] - 6:5
11:30 [2] - 1:10, 2:4	activity [2] - 5:13	changes [8] - 4:6, 4:9,	DEVELOPMENT [1] - 1:2	funds [1] - 5:17
11:44 [1] - 8:13	ADAM[1] - 1:16 added[1] - 5:21	4:10, 4:11, 6:15, 7:3,	director [1] - 4:3	G
13 [1] - 3:21	addition [6] - 4:10,	7:5, 8:5	dispensed [3] - 5:7,	
15 [1] - 4:20 15th [1] - 9:13	4:18, 4:23, 5:4, 5:20,	Chapter [6] - 3:14,	6:11, 6:12	gallons [3] - 5:7, 6:11, 6:12
1301[1] - 9.13	6:19	4:5, 5:1, 5:14, 6:23, 7:2	divided [1] - 6:11	gasoline [2] - 5:12
2	administered [1] -	chapter [3] - 4:7, 4:17,	DO [1] - 9:8	GERDES [1] - 1:16
	4:23 administration [1] -	4:23	Dolly [1] - 2:2 Dolly-Reed [1] - 2:2	GOED [7] - 3:2, 3:7,
2 [1] - 6:1 2024 [1] - 4:9	5:21	CHERI [1] - 9:5	due [1] - 4:7	5:22, 5:23, 6:8, 6:24,
2025 [5] - 1:10, 2:3,	ADMINISTRATIVE[7]	Cheri [3] - 2:4, 9:17,	duly [1] - 9:8	7:1
5:5, 9:11, 9:14	- 1:13, 3:1, 3:16,	9:18 class [1] - 5:13	duly-appointed [1] -	GOED's [2] - 4:13, 8:3 GOVERNOR'S [1] -
2029 [1] - 5:6	3:25, 7:12, 7:16, 8:6	Class [1] - 5:4	9:8	1:2
	Administrative [1] -	classes [1] - 5:17	during [2] - 4:8, 5:9	Governor's [2] - 3:12,
3	3:4 adopted [1] - 4:15	closed [1] - 7:10	Е	4:3
3 [2] - 6:1, 6:4	adopted [1] - 7:4	code [2] - 4:12, 4:13		grant [3] - 5:16, 5:17,
31:02 [2] - 3:5, 5:14	affidavits [1] - 7:17	Codified [4] - 4:22,	E-15 [7] - 4:7, 4:18,	5:19
31:02:01 [3] - 3:14,	agency [4] - 3:22, 7:7,	5:2, 6:3, 6:23 commences [1] - 6:24	4:21, 5:7, 6:11, 6:12, 6:16	Н
4:5, 7:2 31:02:01:01 [1] - 1:5	7:9, 7:11	commencing [1] - 2:4	East [1] - 2:2	
31:02:01:02 [1] - 5:4	agreement [1] - 4:14 allocated [1] - 6:4	comment [3] - 7:8,	Economic [2] - 3:13,	half [1] - 4:19
31:02:01:02(5 _[1] -	allocation [2] - 5:17,	7:10, 7:20	4:4	HEARING [2] - 1:8, 1:13
5:23	6:9	comments [4] - 7:19,	ECONOMIC [1] - 1:2	HEREBY [1] - 9:8
31:02:01:11 [1] - 6:19	allowing [1] - 8:10	8:1, 8:2, 8:7 completed [1] - 5:25	edits [1] - 4:14 either [2] - 5:11, 7:21	HONORABLE [1] -
31:02:01:12 [1] - 1:5	ALSO [1] - 1:18	concluded [1] - 8:13	either [2] - 5:11, 7:21 eligibility [2] - 5:15,	1:12
32:01:01 [1] - 4:17	amount [3] - 5:25, 6:2,	conditions [1] - 5:16	5:24	
5	6:6 appeal [4] - 6:19, 6:21,	conference [1] - 3:7	eligible [3] - 5:3, 6:2,	<u> </u>
	6:23, 6:25	confirm [1] - 7:25	6:13	incentive [1] - 8:5
5 [1] - 5:4	appointed [1] - 9:8	considered [1] - 3:22	enacted [1] - 4:8	Incentive [4] - 3:5,
503 [1] - 1:16 57501 [1] - 1:17	article [1] - 3:4	containing [1] - 4:19 contested [1] - 6:22	entitled [1] - 9:10 equal [1] - 6:10	4:6, 6:5, 7:3
0.001[ij 1.17	Article [1] - 3:5	continued [2] - 3:20,	ethanol [5] - 3:3, 4:18,	inclusive [2] - 1:5, 5:6 informs [1] - 6:24
	attached [1] - 9:11	3:21	4:20, 5:13, 8:5	Informs [1] - 6:24 Infrastructure [4] -
	August [1] - 3:21			

3:5, 4:6, 6:5, 7:2 pursuant [2] - 4:25, **shall** [2] - 5:22, 5:23 Ν infrastructure [1] - 8:5 7:13 **sold** [2] - 6:11, 6:12 nature [1] - 4:9 inquiry [1] - 8:4 **SOUTH** [2] - 1:1, 9:1 insufficient [1] - 6:6 none [1] - 7:22 Q **SS**[1] - 9:2 **Notary** [3] - 2:6, 9:7, **STATE**[2] - 1:1, 9:1 qualifies [1] - 5:1 9:18 J stenographic [1] - 9:9 noted [1] - 5:3 Street [1] - 1:16 Jack [2] - 1:18, 4:2 R style [2] - 4:11, 4:14 **JUDGE** [7] - 1:13, 3:1, 0 subdivision [2] - 5:23, Realtime [3] - 2:5, 9:6, 3:16, 3:25, 7:12, 6:1 OF [5] - 1:1, 1:2, 1:13, 7:16, 8:6 substantial [2] - 4:9, rebate [2] - 4:7, 6:16 9:1, 9:3 **jump** [1] - 3:19 4:10 received [2] - 8:1, 8:3 Office [2] - 3:12, 4:3 **SULLY** [1] - 9:3 receiving [2] - 5:25, **OFFICE** [2] - 1:2, 1:13 L 7.1 one-half [1] - 4:19 Т last [1] - 3:22 recommends [1] - 7:4 **Onida** [1] - 9:13 law [1] - 7:14 Reed [1] - 2:2 online [1] - 7:20 tax [9] - 4:21, 5:1, 5:5, LAW [7] - 1:13, 3:1, references [1] - 4:20 **ORIGINAL** [1] - 1:5 5:21, 5:22, 6:5, 6:13, 3:16, 3:25, 7:12, refund [11] - 4:21, 5:1, overall [1] - 6:9 6:20, 6:22 7:16, 8:6 5:21, 5:24, 6:2, 6:6, **THOMPSON** [1] - 1:16 Law [4] - 4:22, 5:2, 6:8, 6:9, 6:14, 6:20, Р throughout [1] - 5:14 6:3, 6:23 6:22 total [1] - 6:12 legal [1] - 4:13 papers [1] - 7:18 refunds [3] - 5:5, 5:22, Transcript [2] - 1:9, Legislative [1] - 4:12 **pay** [3] - 5:22, 6:6, 6:8 6.6 Legislature [1] - 4:8 payment [1] - 5:21 regarding [2] - 8:4, transcription [1] percent [3] - 4:19, 8:8 licensed [10] - 4:24, 9:12 regards [2] - 3:4, 3:11 4:20. 5:12 4:25, 5:5, 6:2, 6:7, 6:8, 6:10, 6:13, 6:20, percentage [2] - 6:9, Registered [3] - 2:5, V 9:5, 9:19 6:24 6:10 line [2] - 8:4 period [2] - 7:8, 7:10 remainder [1] - 5:14 **VALENTINE** [3] - 4:2, located [1] - 5:8 **phone** [1] - 8:4 remedies [1] - 6:17 7:15. 8:2 LRC's [1] - 4:13 Pierre [4] - 1:16, 1:17, reporter [1] - 9:9 Valentine 151 - 1:18. 2:3, 3:8 Reporter [6] - 2:5, 2:6, 3:23, 4:1, 4:3, 7:25 Plaza [1] - 2:2 9:6, 9:19, 9:19 M vehicle [2] - 5:11 preceding [2] - 5:9, reporting [1] - 6:18 via [1] - 1:18 marketer [4] - 4:24, 6:7 Research [1] - 4:12 6:3, 6:20, 6:24 premises [1] - 5:8 retail [1] - 5:8 W marketer's [2] - 6:8, PRESENT [1] - 1:18 **Revenue** [1] - 4:25 6:10 website [1] - 8:3 present [3] - 3:9, 3:10 room [1] - 3:7 marketers [3] - 5:5, Wells [1] - 2:2 presented [2] - 4:15, **RULES** [1] - 1:8 6:7, 6:13 Williamson [3] - 3:18, Rules [1] - 3:5 marketers' [1] - 5:8 7:6, 7:23 **procedures** [1] - 6:22 rules [8] - 3:6, 3:11, matter [4] - 3:2, 7:13, WILLIAMSON [1] proceedings [2] - 9:9, 3:13, 3:22, 4:15, 7:7, 8:8, 9:10 1:12 9:12 7:21, 8:5 MAY [1] - 1:16 wish [1] - 7:20 Professional [3] - 2:5, rules.gov [1] - 8:3 MCCOMSEY [1] - 9:5 9:6, 9:19 McComsey [3] - 2:4, Ζ Program [3] - 3:6, 4:6, S 9:17, 9:18 7:3 **Zoom** [1] - 1:18 means [1] - 5:11 **SCHEIBE** [5] - 1:15, program [3] - 4:8, meeting [1] - 3:3 3:15, 3:18, 7:6, 7:23 6:16, 8:5 member [1] - 3:12 Scheibe [2] - 3:17, projects [2] - 5:3, 5:18 7:24 members [1] - 3:9 proposed [2] - 4:7, monies [1] - 6:4 section [10] - 5:10, 4:11 morning [1] - 4:4 5:15, 5:16, 5:18, **prorate** [1] - 6:8 motor [7] - 5:4, 5:7, 5:19, 5:20, 6:2, 6:16, **provided** [1] - 6:3 5:11, 5:22, 6:5, 6:13, 6:17, 6:18 publication [1] - 7:17 **Sections** [1] - 1:5 published [2] - 7:13, September [4] - 1:10, moving [1] - 4:17 7:18 2:3, 9:11, 9:14 must [1] - 6:8 pumps [1] - 5:7 session [1] - 4:9 purposes [1] - 5:10 set [1] - 6:22