

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-1700/3		Introduction Number AB-275	
Subject			
Prohibit sale of gasoline containing MTBE			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
Local:			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.143 (3) (r)			
Agency/Prepared By		Authorized Signature	Date
COMM/ David Horton (608) 266-5860		Louie Cornelius (608) 266-8629	5/6/2003

Fiscal Estimate Narratives

COMM 5/6/2003

LRB Number	03-1700/3	Introduction Number	AB-275	Estimate Type	Original
Subject					
Prohibit sale of gasoline containing MTBE					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Commerce to set, by rule, minimum specifications for automotive gasoline that prohibit automotive gasoline from containing more than 0.5%, by volume, of methyl tertiary-butyl ether (MTBE). The prohibitions first apply on August 1, 2004. The bill requires that Commerce (1) adopt an emergency rule using the procedures under chapter 227, Stats., and (2) adopt a permanent rule.

The approximate costs associated with rule adoption are as follows:

- * personnel costs associated with adoption of emergency rule - \$2,480
- * publication in official state newspaper - \$213
- * personnel costs associated with adoption of permanent rule - \$3,720

Because Commerce has existing administrative structures and procedures in place for developing and adopting new administrative rules, these costs will be absorbed within existing Departmental resources.

This bill also requires Commerce to prohibit the sale, distribution, blending and manufacture of MTBE as a gasoline additive, except for the sale of products containing up to 0.5%, by volume, of MTBE.

If Commerce is to sample and test fuels for MTBE standards, Commerce will need to purchase oxygenated testing equipment, estimated at a cost of \$26,000 per unit. Commerce currently has 14 petroleum related testing labs across the state. Outfitting all 14 labs will cost approximately \$364,000.

Long-Range Fiscal Implications

The oxygenated testing equipment will require long term maintenance and calibration and will require specific supplies, such as certain chemicals, to operate. For 14 units of oxygenated testing equipment, annual calibration and maintenance is estimated at \$25,200 and specific supplies and accessories are estimated at \$14,000 per year. This is \$39,200 in total annualized costs.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-1700/3		Introduction Number AB-275	
Subject			
Prohibit sale of gasoline containing MTBE			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Purchase of oxygenated testing equipment at \$26,000 per unit, 1 unit per each of 14 Commerce petroleum laboratories - \$364,000.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$39,200	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$39,200	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S (39,200)	39,200	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S (0)	0	
	TOTAL State Revenues	\$0	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$39,200	\$
NET CHANGE IN REVENUE		\$0	\$
Agency/Prepared By		Authorized Signature	Date
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