

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2384/3	Introduction Number SB-117
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Subject

Prohibit MTBE in gasoline

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes
 No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs
 Permissive Mandatory
 3. Increase Revenue
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory
 4. Decrease Revenue
 Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts 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	5/5/2003

Fiscal Estimate Narratives

COMM 5/5/2003

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Subject					
Prohibit MTBE in gasoline					

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

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LRB Number 03-2384/3		Introduction Number SB-117	
Subject			
Prohibit MTBE in gasoline			
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		\$	
(FTE Position Changes)			
State Operations - Other Costs	39,200		
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			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$39,200		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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