

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-1742/1	Introduction Number AB-237
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Subject
 Modify ethonal subsidy program

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
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		

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.115(1)(d) for Aids, 20.115(1)(a) for admin.

Agency/Prepared By DATCP/ Don Akamatsu (608) 224-4747	Authorized Signature Barb Knapp (608) 224-4746	Date 3/30/01
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Fiscal Estimate Narratives

DATCP 3/30/01

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Assumptions Used in Arriving at Fiscal Estimate

This bill would make the appropriation for aids payments to ethanol producers a sum sufficient appropriation, in effect increasing the appropriation.

The bill also limits the amount of aids payments to any ethanol producer, to 20 cents per gallon for up to 15 million gallons within 12 months, or a maximum of \$3 million.

Administration of this program, either with or without the changes presented in this bill, involves some minor costs to DATCP. DATCP staff may need to audit the applications for truthfulness and accuracy, but the time commitment for each individual ethanol producer should be small enough to absorb into the department's general duties.

Under current law, DATCP expects that initially a limited number of ethanol producers will take advantage of this program. However, if this bill is enacted, it may induce additional investment in the ethanol production industry. In turn, DATCP would have to commit additional time to this program.

Long-Range Fiscal Implications

Potential ethanol plants are in Monroe, Elba, Stanley, La Crosse, Oshkosh, and Menomonie.

At this time, the expectation is for the following:

In 2002, one plant would begin production, with payments of \$3,000,000 in 2003.
In 2003, two plants would begin production, with payments of \$6,000,000 in 2004.
In 2004, three plants would begin production, with payments of \$9,000,000 in 2005.

The assumption is that the Aids payments would be paid after one year of production.

The costs shown in the fiscal estimate worksheet are the annual Aids and state operations costs for the next biennium. Total aids paid after all the plants listed above have gone into production is estimated at \$18,000,000. This is based on one year of payments per plant.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$1,000	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations		3,000,000	
TOTAL State Costs by Category		\$3,001,000	\$
B. State Costs by Source of Funds			
GPR		3,001,000	
FED			
PRO/PRS			
SEG/SEG-S			
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		\$3,001,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	
DATCP/ Don Akamatsu (608) 224-4747		Barb Knapp (608) 224-4746	
		Date	
		3/30/01	