

Fiscal Estimate - 2005 Session

- Original Updated Corrected Supplemental

LRB Number 05-0540/4	Introduction Number AB-15	
Subject Requiring ethanol in gasoline		
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 type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Decrease Costs	
Local:		
<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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/ Landon Williams (608) 267-9382	Louie Cornelius (608) 266-8629	1/27/2005

Fiscal Estimate Narratives

COMM 1/28/2005

LRB Number	05-0540/4	Introduction Number	AB-15	Estimate Type	Original
Subject					
Requiring ethanol in gasoline					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a requirement that all automotive gasoline sold at retail locations in Wisconsin contain a minimum of 9.2% and a maximum of 10% ethanol with certain exceptions. The bill also requires the Department to promulgate emergency rules regarding enforcement and administration of these provisions.

The Department administers ss. 168, and sets standards in Comm 48 establishing minimum product grade specifications for gasoline-alcohol fuel blends and other forms of gasoline and kerosene. Currently, the Department has 29 petroleum product inspectors located at 12 district and sub-district labs throughout the state. These inspectors conduct sampling and testing of petroleum product at both the terminal and at retail locations. In FY 04, the Department collected samples of petroleum products for inspection at 3,303 retail locations. The Department has internally estimated that it takes an average of approximately 11.5 hours to perform a full inspection, including lab analysis, data entry and enforcement.

Under this bill, the Department would be required to test for the percentage of ethanol at all retail locations to ensure compliance. The Department estimates that it can perform the necessary inspections with its current number of inspectors. However, the Department does not currently test for the amount of ethanol present in petroleum products. Currently, the Department performs a distillation test to test for the presence of ethanol. If the Department is to sample and test fuels for the percentage of ethanol present according to ASTM standards, the Department will need to purchase new IROX 2000 gasoline analyzers at an estimated cost of \$27,000 per unit. The Department has 12 district and sub-district labs throughout the state. It is estimated that ten units would be necessary to ensure compliance with the bill's requirements. Ten units would cost approximately \$270,000.

As the Department has existing administrative structures and procedures in place for developing and administering new administrative rules, the costs of promulgating emergency rules required under this bill will be absorbed within existing resources.

Long-Range Fiscal Implications

Gasoline analyzing equipment will require long term maintenance, calibration and specific supplies, such as certain chemicals to operate. For ten IROX 2000 units, long term maintenance, calibration and supplies are estimated at \$2,000 per unit or \$20,000 in total annualized costs.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-0540/4		Introduction Number AB-15	
Subject			
Requiring ethanol in gasoline			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Purchase of gasoline analyzing equipment at \$27,000 per unit, ten units minimum for coverage in 12 district and sub-district labs = \$270,000.			
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	20,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$20,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	20,000	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$20,000	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
COMM/ Landon Williams (608) 267-9382		Louie Cornelius (608) 266-8629	1/27/2005