

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3316/1	Introduction Number AB-0408	
Description Financial assistance related to bioenergy feedstocks, biorefineries, and conversion to biomass energy; the definition of the term agricultural use for the purpose of determining the assessed value of a parcel of land; requiring a strategic bioenergy feedstock assessment; creation of a bioenergy council; the agricultural and forestry diversification programs; biofuels training assessment; a study of regulatory burdens relating to biofuel production facilities; marketing orders and agreements for bioenergy feedstocks; exempting personal renewable fuel production and use from the motor vehicle fuel tax, the petroleum inspection fee, and business tax registration requirements; an income and franchise tax credit for installing or retrofitting pumps that mix motor vehicle fuels from separate storage tanks; offering gasoline that is not blended with ethanol to motor fuel dealers; state renewable motor vehicle fuels sales goals; required sales of renewable motor vehicle fuels; use of petroleum-based transportation fuels by state vehicles; use of alternative fuels in flex fuel vehicles owned by the state; use of public alternative fuel refueling facilities; duties of the Office of Energy Independence; granting rule-making authority; requiring the exercise of rule-making authority; making appropriations; and providing penalties		
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 checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 505 (1) (mb)		
Agency/Prepared By DOA/ Pat Meier (608) 266-5877	Authorized Signature Martha Kerner (608) 266-1359	Date 9/17/2009

Fiscal Estimate Narratives

DOA 9/17/2009

LRB Number	09-3316/1	Introduction Number	AB-0408	Estimate Type	Original
Description Financial assistance related to bioenergy feedstocks, biorefineries, and conversion to biomass energy; the definition of the term agricultural use for the purpose of determining the assessed value of a parcel of land; requiring a strategic bioenergy feedstock assessment; creation of a bioenergy council; the agricultural and forestry diversification programs; biofuels training assessment; a study of regulatory burdens relating to biofuel production facilities; marketing orders and agreements for bioenergy feedstocks; exempting personal renewable fuel production and use from the motor vehicle fuel tax, the petroleum inspection fee, and business tax registration requirements; an income and franchise tax credit for installing or retrofitting pumps that mix motor vehicle fuels from separate storage tanks; offering gasoline that is not blended with ethanol to motor fuel dealers; state renewable motor vehicle fuels sales goals; required sales of renewable motor vehicle fuels; use of petroleum-based transportation fuels by state vehicles; use of alternative fuels in flex fuel vehicles owned by the state; use of public alternative fuel refueling facilities; duties of the Office of Energy Independence; granting rule-making authority; requiring the exercise of rule-making authority; making appropriations; and providing penalties					

Assumptions Used in Arriving at Fiscal Estimate

AB-408 would require the Department of Administration (DOA) to take specific steps to reduce the use of gasoline and diesel fuel by state agencies. The mandated reductions and specific steps required conform to those in Executive Order #141 signed by the Governor in March 2006. The Director of DOA's Bureau of Enterprise Fleet Operations anticipates that the department will continue to work toward these goals as they have since 2006 with no additional costs beyond those already provided for in the 2009-11 biennial budget. Further, the Office of Energy Independence (OEI) will continue to work with the Bureau of Enterprise Fleet Operations to maintain and update its current plan to identify flex-fuel vehicles and the location of alternate fueling sites and encourage state employees to use those sites when possible. No additional funding will be required for this task.

AB-408 also requires the Office of Energy Independence to biennially conduct a strategic bioenergy feedstock assessment. The first such report is due April 30, 2013. According to the Office, the data required for the assessment is available, but from numerous sources. The Office anticipates that approximately \$25,000 would be required to fund either staff time and/or contract expenses for the preparation of each biennial report, or \$12,500 annually. This effort would include identifying the appropriate data, coordinating the data gathering process, analyzing the data, and developing and writing the report.

The Office of Energy Independence is also tasked with assisting the Biofuels Production Facility Regulatory Review Committee in the preparation of its report to the Governor and Legislature. The report is due 2 years after the effective date of the legislation. The Office estimates that this assistance will require a half-time position for the two-year period of the Committee's work. The estimated cost would be approximately \$35,000 annually, or \$70,000 over the two-year life of the Committee.

Finally, the Office estimates that the modifications to its existing goals and duties can be absorbed within current resource and staffing authorizations.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 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): \$70,000		
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	12,500	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$12,500	\$
B. State Costs by Source of Funds		
GPR		
FED	12,500	
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		
	State	Local

NET CHANGE IN COSTS	\$12,500	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		
Date		
DOA/ Pat Meier (608) 266-5877	Martha Kerner (608) 266-1359	9/17/2009