

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2853/1	Introduction Number AB-0455
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Description
 creating fuel blend requirements for new gas stations, providing grants for fuel blend compatibility improvements, and making an appropriation

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. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase 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
2. <input type="checkbox"/> Decrease Costs <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 <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) (f)	Affected Ch. 20 Appropriations
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Agency/Prepared By DATCP/ David Woldseth (608) 224-5164	Authorized Signature Waylon Hurlburt (608) 224-4857	Date 10/24/2023
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Fiscal Estimate Narratives

DATCP 10/24/2023

LRB Number	23-2853/1	Introduction Number	AB-0455	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

This bill requires new retail or wholesale fueling facilities that are built on vacant land to ensure that all of the facility's equipment used to store or dispense gasoline is capable of storing or dispensing a gasoline-ethanol fuel blend that contains at least 25 percent ethanol by volume. The bill also requires that all of the facility's equipment used to store or dispense petroleum-based diesel fuel is capable of storing or dispensing a biodiesel fuel blend that contains at least 20 percent biodiesel by volume.

The bill further requires the Department of Agriculture, Trade and Consumer Protection to provide grants to such facilities for this purpose, in an amount of \$1,000 for each new dispenser or the increased cost to retrofit dispensers to meet this requirement, whichever is less. Such a grant may not be made to a facility that has received federal funds for this purpose. DATCP may not provide more than \$15,000 to any single facility. Under the bill, a facility that receives such a grant must provide, from each dispenser funded by the grant, a gasoline-ethanol fuel blend that contains at least 15 percent ethanol by volume or a biodiesel fuel blend that contains at least 20 percent biodiesel by volume.

The bill finally requires DATCP to provide grants to existing retail or wholesale fueling facilities to allow the facility to be able to store or dispense a gasoline-ethanol fuel blend that contains at least 25 percent ethanol by volume or a biodiesel fuel blend that contains at least 20 percent biodiesel by volume. Such a grant may be made in an amount up to 50 percent of the cost to the facility for any equipment or infrastructure installed or replaced for this purpose. Such a grant may not be made to a facility that has received federal funds for this purpose. Under the bill, a facility that receives such a grant must provide, from each dispenser funded by the grant, a gasoline-ethanol fuel blend that contains at least 15 percent ethanol by volume or a biodiesel fuel blend that contains at least 20 percent biodiesel by volume.

The bill creates a continuing GPR appropriation with \$8 million for the issuance of grants. There could be a significant number of projects awarded grants with these funds that DATCP would need to process and track. As a new program, DATCP cannot accurately state the level of interest to upgrade existing facilities or the number of new facilities this bill could impact. However, for reference, DATCP requires plan reviews before new gas stations may be built under current law. The plan review data shows that, from 2020-2022, DATCP received an average of 85 retail fueling plan approvals a year.

DATCP would inspect these projects through its weights and measures fuel inspection program. These inspections would require additional employee time, but DATCP does not believe it would need to hire additional inspectors and plans to absorb the inspection and verification costs. However, an \$8 million program that could result in a significant number of grants being awarded would require additional processing, reporting, and support. DATCP believes, at a minimum, it would need to hire a grants specialist (1.0 FTE) to administer the program. The position would require \$75,600 GPR annually. As the bill is currently drafted, there is no authorized FTE and no additional funds for administration of the grant program.

DATCP may need to create guidance documents and/or engage in rulemaking to administer the bill. It is assumed that these costs will be absorbed by the agency.

Long-Range Fiscal Implications

This bill creates a continuing GPR appropriation of \$8 million under Wis. Stat. ch. 20. The budget line item will fluctuate with the needs and popularity of the program.

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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Description creating fuel blend requirements for new gas stations, providing grants for fuel blend compatibility improvements, and making an appropriation		
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	\$75,600	\$
(FTE Position Changes)	(1.0 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$75,600	\$
B. State Costs by Source of Funds		
GPR	75,600	
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	\$75,600	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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		10/24/2023