

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0327-01
Bill No.: SB 29
Subject: Agriculture Dept.; Motor Fuel
Type: Original
Date: February 3, 2008

Bill Summary: Requires all diesel fuel sold at retail in Missouri after April 1, 2010 to be a biodiesel-blended fuel.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation, University of Missouri - Columbia** and **Department of Revenue** assume no fiscal impact to their agency.

Officials from the **Department of Natural Resources** would not anticipate any significant direct fiscal impact as a result of this proposal.

Officials from the **Department of Agriculture (MDA)** assume their Fuel Quality Program will monitor the biodiesel content at retail. Additional time will be required of the program to ensure service stations properly prepare storage tanks for the introduction of the blends. MDA's fuel quality program will attempt to absorb some of the extra workload this part of the proposal will create. However, one additional chemist will be required and one field inspection will be required to assist with extra workload this proposal requires. MDA will investigate locations selling diesel fuel with less than 5% biodiesel to ensure compliance.

Oversight assumes this would be accomplished during the normal budgetary process. Therefore, Oversight assumes the initial administrative impact of this proposal is \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes, if the small business were a distributor or seller of fuel, they would be subject to the provisions of this legislation. If the small business did not comply with these provisions, it would be subject to the fines imposed.

All service stations and other businesses with diesel fuel storage tanks must clean and remove any water from the system prior to the introduction of biodiesel blends. Cost for cleaning and water removal is estimated at \$500 per tank.

FISCAL DESCRIPTION

The proposed will require that all diesel fuel sold at retail in Missouri after a certain date to be a biodiesel-blended fuel.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Department of Revenue
Department of Agriculture
Department of Transportation



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Director
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