

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB445

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:**        Petersen

**3. Committee:** Finance

**4. Title:**        **Funding for transportation and transportation-related alternatives.**

**5. Summary:** The proposed legislation would increase the state motor fuels tax rate by \$0.01 per gallon with the revenues deposited into the Biofuels Production Fund to fund grants for biofuels production.

The Biofuels Production Fund was created in 2006 as an incentive for private businesses to produce biofuels. In order to be eligible to receive a grant from the Fund, companies have to produce at least two million gallons of neat biofuels in a calendar year. Neat biofuels are those that have not been blended with traditional fuel such as diesel or gasoline. At that production threshold, companies may apply to receive a biofuels production incentive grant in an amount equal to \$0.10 for each gallon of neat biofuels sold in the calendar year.

**6. Fiscal Impact Estimates:** Preliminary.

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008			
2009	\$47,200,000		NGF
2010	\$52,200,000		NGF
2011	\$53,400,000		NGF
2012	\$54,600,000		NGF
2013	\$55,900,000		NGF
2014	\$56,300,000		NGF

**7. Budget Amendment Necessary:** Yes, an increase in Item 121 of \$47.2 million in FY 2009 and \$52.2 million in FY 2010.

**8. Fiscal Implications:** None.

**9. Specific Agency or Political Subdivisions Affected:** Department of Mines, Minerals and Energy

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** None.

**Date:** 1/30/2008 dpb/smc

**Document:** G:\GA\FIS 2008\SB445.doc

cc: Secretary of Commerce and Trade