

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 393 would require state agencies to implement a program whereby a minimum of 2% of their annual diesel fuel usage is comprised of Nebraska biodiesel fuel. An agency is only required to comply with this requirement to the extent that Nebraska biodiesel fuel is available. The agencies are to periodically report usage data as outlined in the bill to the Natural Resources Committee of the Legislature.

Fiscal note requests were sent to a sample of state agencies that were thought to have a large number of diesel powered vehicles. Responses were received from the following agencies. It appears that the fiscal impact on expenditures will be relatively minor due to the 2% requirement or nonexistent due the lack of Nebraska biodiesel fuel.

Department of Roads – The Department’s fiscal note states the following: “The Department of Roads uses approximately 1.7 million gallons of diesel fuel each year. A minimum of 2 percent would be approximately 34,000 gallons of biodiesel. With an estimated cost of \$3.40 per gallon, this could result in an additional cost of \$115,600 annually. NDOR is not aware of any biodiesel fuel plants in Nebraska at this time. Therefore, no fiscal impact is reported.”

The department’s calculations appear to be in error. The 34,000 gallons should have been multiplied by the price difference between regular diesel and biodiesel to get their added cost. Using a 69¢ price difference their added cost would be \$23,460, not \$115,600. This doesn’t change their estimate of no fiscal impact due to the lack of biodiesel availability.

Administrative Services – Transportation Services Bureau – The Transportation Services Bureau (TSB) has purchased an average of 7,000 gallons of diesel fuel per year over the last two fiscal year periods at an average price of \$2.71 per gallon. Using the current price of \$3.40 per gallon for biodiesel the direct cost to TSB is estimated to be \$97 per fiscal year [based on a 69¢ per gallon price difference times 140 gallons (7,000 X 2%)].

University of Nebraska – No fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/26/11	PHONE	471-2526
COMMENTS					
ADMINISTRATIVE SERVICES, TRANSPORTATION SERVICES BUREAU: Agency’s estimate appears to be reasonable. NEBRASKA ENERGY OFFICE: Concur. DEPARTMENT OF ROADS: No basis to disagree with agency’s estimate. UNIVERSITY OF NEBRASKA: No basis to disagree. Unknown how many vehicles are owned by the University that uses diesel.					