PREPARED BY: DATE PREPARED: PHONE: Scott Danigole April 18, 2019 471-0055

LB 585

Revision: 01

FISCAL NOTE

Revised to reflect all amendments adopted to date.

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	9-20	FY 2020-21					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS								
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS								

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 585 creates the Renewable Fuel Infrastructure Program.

Section 1 provides definitions for the program.

Section 2 creates the program with the purpose to improve retail motor fuel sites by installing, replacing, or converting ethanol infrastructure to be used to store, blend, or dispense renewable fuel. The program shall function as a grant program administered by the State Energy Office.

Section 3 provides for eligibility of persons and ethanol infrastructure projects.

Section 5 requires the State Energy Office to determine the amount of the grants to be awarded under the program. Applications shall be considered in the order in which they are received and shall be awarded to the maximum number of qualified applicants. The Energy Office may approve up to one million dollars (\$1,000,000) in grants in any calendar year.

The introduced copy of LB 585 included intent language to utilize \$1,000,000 of General Funds to provide grants. The amended copy of the bill strikes this language.

Without a funding source, there is no fiscal impact. If a funding source is identified in future years, the bill's provisions will have some fiscal impact. That will be the total of funds received for grant distribution plus any administrative overhead incurred by the Energy Office.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 585 AM: 953 & 1257 AGENCY/POLT. SUB: Nebraska Energy Office						
REVIEWED BY: Claire Oglesby DATE: 4/12/19 PHONE: (402) 471-4174				PHONE: (402) 471-4174		
COMMENTS: No basis to disagree with the Nebraska Energy Office.						

LB: 585	AM:	953 &1257	AGENCY/POLT. SUB: Departm	nent of Environmental Quality
REVIEWED E	BY: Claire	Oglesby	DATE: 4/12/19	PHONE: (402) 471-4174

State Agency OR Political Subdivision Name: (2) Energy Office Prepared by: (3) Dennis Burling Date Prepared: (4) 4/12/2019 Phone: (5) 402-471-4214 ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION FY 2019-20 FY 2020-21 EXPENDITURES REVENUE EXPENDITURES REVENUE GENERAL FUNDS CASH FUNDS OTHER FUNDS OTHER FUNDS TOTAL FUNDS Explanation of Estimate: The bill authorizes the Energy office to set up and administer a grant program for ethanol infrastructure projects at retail motor fuel sites. The administration of this new grant program will require staff time to develop and operate. Additionally, the development of the program, possibly providing an online service to the customers for grant applications would be developed. The office would also have to manage or oversee the 3 year or 5 year agreements. We currently estimate an annual cost to implement and operate around \$50,000. The bill provides for appropriations made by the Legislature, transfers authorized by the Legislature, grants, and any contributions designated for the purpose of the fund. Currently there is no funding proposed for this program. Our estimates are for the implementation of the program when funding would be made available and an approved appropriation from the Legislature. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2019-20 2020-21
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Personal Services:
NUMBER OF POSITIONS 9019-90 9090-91
POSITION TITLE 19-20 20-21 EXPENDITURES EXPENDITURES
Staff assistant II
Ethanol Program Manager
Benefits
Operating
Travel
Capital outlay
Aid

TOTAL.....

LB ⁽¹⁾ 585, AM953 & AM12	57			FISCAL NOTE
State Agency OR Political Subdivision Name: (2	Environmental Qu	ality		
Prepared by: (3) Dennis Burling	Date Prepared: (4)	4/12/2019	Phone: (5)	402-471-4214
ESTIMATE PROV	VIDED BY STATE AGEN	NCY OR POLITIC	CAL SUBDIVIS	ION
EX	<u> 7 2019-20</u>		FY 2020	- <i>0</i> 1
<u>EXPENDITURE</u>		EXPENDI		<u>REVENUE</u>
GENERAL FUNDS	_	_		
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		-		
TOTAL FUNDS				
				
Explanation of Estimate:				
No Fiscal Impact				
110 I Isour Impuet				
BREAKDO Personal Services:	WN BY MAJOR OBJECT	S OF EXPENDI	<u>rure</u>	
1	NUMBER OF POSITION			2020-21
POSITION TITLE	<u>19-20</u> <u>20-21</u>	EXPEND	<u>(TURES</u>	EXPENDITURES
Danasita	<u> </u>	_		
Benefits Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				

State Agency Estimate							
State Agency Name: Department of	Revenue					Date Due LFA:	
Approved by: Tony Fulton	Date Prepared: Phone: 471-5896						
	FY 2019	9-2020		FY 202	0-2021	FY 202	1-2022
	Expenditures	Revenue		Expenditures	Revenue	Expenditures	Revenue
General Funds							
Cash Funds			-				
Federal Funds			•				
Other Funds			•				
Total Funds			_				
			•			<u> </u>	

AM 953 to LB 585 removes the outright repeal of Neb. Rev. Stat. § 77-2704.66 from the bill.

The amendment adds a requirement that the ethanol infrastructure project that blends ethanol and gasoline from motor fuel pumps designed to blend such motor fuels together must do so in blends higher than E-15. AM 953 also removes the requirement that the State Energy Office (Office) "consider application in the order in which they are received "and instead requires that the Office, "to award grants to the maximum number of qualified applicants and may approve up to one million dollars in grants in any calendar year.

Lastly, AM 1257 to LB 585 AM 953 removes the language in LB 585 stating the intent of the Legislature is to appropriate one million dollars from the General Fund to the Infrastructure Fund for carrying out the Renewable Fuel Infrastructure Program.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

The operative date for this bill is January 1, 2020.

Major Objects of Expenditure								
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures	
- D 0"								
Benefits	Benefits							
Operating Costs								
Travel								
			_					
	nts							
Total								