

PREPARED BY:  
DATE PREPARED:  
PHONE:

Mike Lovelace  
February 09, 2011  
471-0050

**LB 393**

Revision: 00

# 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.			

# 2011 Legislative Bill Proposal Fiscal Note

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LEGISLATIVE FISCAL

Bill #: 393

State Agency: Administrative Services, Transportation Services Bureau

Prepared by: Mike Moerer

Date Prepared: 1/21/2011

Phone: 402-471-2897

Approved by:

## 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				

**Explanation of Estimate:**

LB 393 requires each state agency to implement a program of using Nebraska biodiesel fuel in motor vehicles owned or operated by the agency which are designed to operate on diesel fuel. The program shall require that a minimum of two percent of the agency's annual diesel fuel usage be Nebraska biodiesel fuel.

The exact fiscal impact is unknown at this time as it is unclear what the future price per gallon of biodiesel will be during the next biennium. For purposes of this fiscal note; we are using the current market price per gallon of biodiesel at \$3.40. The Transportation Services Bureau 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 fiscal impact to TSB is estimated to be \$97.00 per fiscal year. Calculations:  $(\$3.40 - \$2.71 = \$ .69 \text{ per gallon difference})$  (7,000 gallons X 2 %) **140 gallons** = \$ .69 per gallons X 140 gallons = **\$97.00 per fiscal year**. The estimated additional expenditures would be absorbed by the program without additional appropriation.

## Major Objects of Expenditure

**Personal Services:**

Position Title:	Number of Positions			2011-12	2012-13
	11-12	12-13		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
<b>TOTAL</b>					



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**FISCAL NOTE LB393**  
**Department of Roads**

Prepared By	Hayes, Marilyn
Date Prepared	1/20/2011
Prepared Phone	402-479-4692

**Estimate Provided By State Agency or Political Subdivision**

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
<b>Total Funds</b>				

**Explanation of Estimate:**

LB 393 would require state agencies to use a minimum of 2 percent of Nebraska biodiesel fuel only to the extent that Nebraska biodiesel fuel is available.

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 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.

**Major Objects of Expenditure**

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		<b>Total</b>		

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LB<sup>(1)</sup> 393 FISCAL NOTE

State Agency OR Political Subdivision Name: University of Nebraska  
(2)

Prepared by: (3) Michael Justus Date Prepared: (4) January 25, 2011 Phone: (5) 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no fiscal impact from this bill.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				