Senate BILL NO. 296

INTRODUCED BY Doherty Weeding
Yellowtail Fritz [illegible]

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AGENCIES OF STATE GOVERNMENT AND INSTITUTIONS OF HIGHER EDUCATION TO PHASE IN THE USE OF ETHANOL-BLENDED FUEL IN STATE MOTOR VEHICLES OVER A 3-YEAR PERIOD."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** **State agencies to phase in use of ethanol blended fuel -- definitions.** (1) Each department, agency, institution, office, board, and commission of the executive, legislative, and judicial branches of state government and every institution of higher education owning motor vehicles capable of burning ethanol-blended fuel shall regularly and continuously use that fuel in the following numbers of its motor vehicles by October 1 of the following years:

(a) 1992, one-third of its vehicles;

(b) 1993, two-thirds of its vehicles;

(c) 1994 and thereafter, all of its vehicles.

(2) For the purposes of this section, the following definitions apply:

(a) "Ethanol-blended fuel" means gasoline blended with ethanol for use in an internal combustion engine in a motor vehicle;

(b) "Motor vehicle" means a motor vehicle as defined in 61-1-102.

-End-

INTRODUCED BILL
SB 296

STATE OF MONTANA - FISCAL NOTE
Form BD-15
In compliance with a written request, there is hereby submitted a Fiscal Note for SB0296, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring agencies of state government and institutions of higher education to phase in the use of ethanol-blended fuel in state motor vehicles over a three year period.

ASSUMPTIONS:

1. The price of ethanol-blended fuels are no more than $.10 per gallon more expensive than unleaded gasoline.
2. Current law is represented by FY90 actual expenditures for gasoline by all state agencies and higher education.
3. Vehicles incapable of using gasohol are exempt from the provisions of the proposed law. The proposed requirements will have no effect on current or projected expenditures by state agencies for vehicle maintenance.

FISCAL IMPACT:

	FY 92			FY 93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Expenditures:						
Operating Costs	4,813,822	4,857,720	43,898	4,813,822	4,904,451	90,629
Funding:						
General Fund	672,965	676,261	3,296	672,965	681,646	8,681
State Special	3,618,533	3,656,047	37,514	3,618,533	3,693,600	75,067
Federal Special	87,417	88,117	700	87,417	88,850	1,433
Proprietary Fund	294,036	294,393	357	294,036	295,427	1,391
Current Unrestricted	140,871	142,899	2,028	140,871	144,928	4,057
Total	4,813,822	4,857,720	43,898	4,813,822	4,904,451	90,629

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The use of gasohol by state agencies would impact the production of gasohol in Montana. An increase in the production of gasohol would increase the tax incentive payments for gasohol production. In FY90 gasohol production tax incentives of $360,000 were paid. Gasohol incentives are scheduled to be terminated on July 1, 1993.

TECHNICAL NOTES:

The proposed legislation does not make any exceptions for vehicles used in rural and/or remote areas where ethanol-blended fuels may not be available.

2-12-91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

STEVE DOHERTY, PRIMARY SPONSOR DATE

Fiscal Note for SB0296, as introduced. SB 296