



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

SENATE BILL: 901

PRINTER'S NO: 1400

PRIME SPONSOR: Scarnati

FISCAL IMPACT SUMMARY	FY 2010/11	FY 2011/12
Expenditure Increase/(Decrease):		
General Fund	\$665,000	\$390,000

OVERVIEW:

This bill will amend Act 78 of 2008 also known as the Bio-fuel Development and In-State Production Incentive Act. This act requires increased content by volume of biodiesel base used in the production of diesel fuel. As biodiesel production increases, so shall its content in diesel fuel. The act originally required that within one year after in-state biodiesel production hit 40 million gallons per year, and that level of production was sustained for a three month period, diesel fuel sold must contain 2% biodiesel. The bill creates enforcement responsibilities for the Department of Agriculture (PDA).

The bill takes effect 60 days after enactment.

ANALYSIS:

This bill increases cost for PDA for which no additional funds are appropriated. The estimated fiscal impact for 2010/11 fiscal year costs is \$665,227. This includes start-up costs of \$474,835 and estimated six month normal operating costs of \$190,393. These added costs are for the bio-fuel portion of the act which includes an ethanol fuels program. These costs are generated by the enforcement, certification, and reporting provisions of the program. The act will require PDA to regulate an estimated 1,200 Biodiesel Sellers other than blenders and producers, 50 Biodiesel Blending Facilities, and 20 Biodiesel Producers in Pennsylvania.

The bill does include set fines which are as follows:

Civil Penalties:

- Not less than \$100 nor more than \$1,000 per day for each knowing violation.

Criminal Penalties:

- Not less than \$100 nor more than \$500 plus costs of prosecution or to imprisonment for not more than 90 days, or both.

At this time, there is no estimate of revenue that these fines may generate. However, issuance of fines will result in additional unaccounted for legal and court costs for the Commonwealth.

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General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*