



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 807

PRINTERS NO. 916

PRIME SPONSOR: Sonney

### COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
General	\$0	\$0

**SUMMARY:** House Bill 807, Printer's Number 916, amends the Biofuel Development and In-State Production Incentive Act to provide for exceptions for certain small refineries and storage of fuel; requirements related to blending and registration and other provisions for enforcement of the act; and establishes the Biofuel Development Account and imposes penalties. This bill shall take effect in 30 days upon enactment.

**ANALYSIS:** This legislation amends the Biofuel Development and In-State Production Incentive Act (act 78 Of 2008) to provide additional language allowing for additional exemptions, registration requirements to enforce the act, a new Biofuel Development Account and impose penalties as applicable.

New exemptions to the act would include fuel stored at a nuclear plant, and the blend percentage requirements (higher than 2%) shall not apply to diesel fuel produced from 100% Pennsylvania grade crude oil by a small refiner.

Additional language is added related to blending, registration and other requirements dealing with transfers, sale or shipping manifests, as well as provisions necessary to provide for enforcement powers of the Department of Agriculture. For example, the department shall have the authority to issue orders and notices, initiate criminal prosecutions, seek injunctive relief, impose civil penalties and enter into consent agreements. It may also conduct unannounced inspections, take samples of product and audit books and records.

A person who willfully and intentionally interferes with a department employee performing duties under the act, or who knowingly sells or transfers biodiesel blend or biodiesel subject to a stop-sale order commits a misdemeanor of the third degree. A civil penalty of \$100 to \$1,000 per day may be assessed for knowing violations of the act.

The bill also creates a restricted account within the State Treasury to be known as the Biofuel Development Account. All money in the account is appropriated to the department on a continuing basis for the administration and enforcement of the act. The account shall receive the following deposits and revenues: all state or federal funds appropriated for the implementation and administration of the act; all fines, judgments and penalties collected by the department under the Act; any interest or earnings on money in the account; and funds from any other public or private sources.

**FISCAL IMPACT:** Enactment of this legislation will have no adverse fiscal impact on the Commonwealth Funds.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** June 13, 2011

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*