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LB 641

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	14,091	(600,000)	14,091	(600,000)
CASH FUNDS	610,000	610,000	610,000	610,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	624,091	10,000	624,091	624,091

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 641 would establish a production incentive credit for renewable diesel. The credits would be 30 cents per gallon and no more than 2,000,000 gallons would be eligible for incentive payments in a calendar year. The fiscal impact of LB 641 would include the following:

Advanced Renewable Diesel Technology Transfer and Commercialization Incentive Fund: A fund would be established for the payment of renewable diesel incentive payments. Assuming that 2,000,000 gallons of renewal diesel production was eligible for incentive payments, a total of \$600,000 in revenue would be required in the fund on an annual basis. Because LB 641 does not establish a funding source for the Incentive Fund, it is assumed for the purpose of this fiscal note that a General Fund transfer would be necessary. In addition, this fund would be used to receive and expend evaluation fees paid by producers. The Department of Agriculture estimates that \$10,000 in evaluation fees could be received annually.

Department of Agriculture expenses: The Department of Agriculture would be required to evaluate and process claims for incentive payments. The agency estimates that \$14,091 in General Funds would be required to carry out the development of forms, processing and evaluating claims and making incentive payments. There is no basis to disagree with this estimate.

University of Nebraska expenses: In order to qualify for incentive payments, producers would be required to submit materials for evaluation to Industrial Agricultural Products Center of the University of Nebraska-Lincoln. The University of Nebraska would be allowed to charge a fee not to exceed \$1,000, which would be collected by the Department of Agriculture. As a result, increased testing expenses would be offset by fee payments. As noted above, it is estimated that \$10,000 in fees could be received by the Department of Agriculture and passed through to the University of Nebraska. The actual workload will depend upon the number of producers wishing to claim incentive payments.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE	2/9/09	PHONE	471-4179
COMMENTS					
DEPARTMENT OF AGRICULTURE: Concur with Department of Agriculture's analysis and estimates of increased expenditures and revenue fiscal impact.					