FISCAL NOTE

Bill #: HB0502 **Title:** Require biodiesel in diesel fuel sold in Montana

Primary Sponsor: Raser, H **Status:** As Introduced

Sponsor signature Date Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:		
State Special Revenue	$0	$0
Revenue:		
State Special Revenue	$0	$0
Net Impact on General Fund Balance:	$0	$0

- ☐ Significant Local Gov. Impact
- ☐ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☒ Technical Concerns
- ☐ Significant Long-Term Impacts
- ☐ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Department of Transportation

1. The biodiesel (B100) required to be added to diesel to arrive at the 2% level is available from Montana resources, which include Montana agricultural products.
2. Any blenders required to be licensed will go through the regular licensed distributor process.
3. The cost of licensing blenders will be minimal because it would be included in the current licensed distributor process.
4. Tracking the biodiesel produced and available in Montana will require monitoring biodiesel inventories and changing some forms. This cost of this will be minimal.
5. The special fuels tax will apply to the 2% biodiesel blended fuel.
6. The Department of Labor and Industry is responsible for the enforcement of the minimum standard of biodiesel fuel in all diesel fuel sold or offered for sale. There will be costs if the Department of Transportation were required to enforce compliance with the bill.

Department of Labor & Industry

7. Any fiscal impact to the Department of Labor and Industry could be absorbed within the existing budget.

TECHNICAL NOTES:

The proposed definition of "biodiesel" differs from the definition of "biodiesel that is currently in law in 15-70-301, MCA.