

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1628-01  
Bill No.: HB 687  
Subject: Motor Fuel; Agriculture and Animals  
Type: Original  
Date: April 11, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Revenue** assume no fiscal impact to their agency.

Officials from the **Department of Agriculture (AGR)** assume AGR's fuel quality program (FQP) will measure the ethanol content of every gasoline sample it receives for fuel quality testing. AGR will attempt to absorb the extras testing with existing personnel and laboratory equipment. However, depending on the number of gasoline-ethanol blends exposed to water will determine additional tests required such as water tolerance testing, sediment tests, etc. Additional field inspections may be required based on compliance rate. Therefore, additional personnel may be required.

Officials from the **Department of Transportation** assume the state fuel tax rate on gasoline and gasohol is 17 cents per gallon, and Congress has recently adjusted the federal gasohol rate to equal the federal gasoline rate that is attributed to the Highway Trust Fund, therefore, MoDOT assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2006  
(10 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Yes. Service station operators will be required to remove water bottoms and clean storage tanks prior to the introduction of any gasoline containing ethanol. Dispenser filters will be required on all dispensers dispensing "fuel ethanol blend". Terminals that currently do not blend ethanol will be required to install ethanol storage tanks and blenders at the loading racks.

DESCRIPTION

This bill requires, by January 1, 2006, that all motor fuel sold in Missouri for use in gasoline-powered vehicles contain 90% gasoline and 10% fuel ethanol, unless prohibited by law or executive order.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

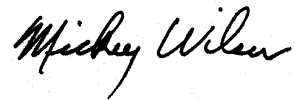
SOURCES OF INFORMATION

Department of Agriculture

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Department of Revenue  
Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized 'M' and 'W'.

Mickey Wilson, CPA  
Director  
April 11, 2005