

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 1, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2318 by Swinford (Relating to the fuel ethanol and biodiesel incentive program of the Department of Agriculture.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Agriculture Code to modify the Fuel Ethanol and Biodiesel Production Incentive Program to include renewable methane. The name of the modified program would be the Fuel Ethanol, Renewable Methane, and Biodiesel Production Incentive Program. The bill would modify the name of the Fuel Ethanol and Biodiesel Production Account to the Fuel Ethanol, Renewable Methane, and Biodiesel Production Account and set the fee imposed on a producer of renewable methane at 3.2 cents for each MMBtu of renewable methane produced and 1.6 cents for each gallon of biodiesel produced. The bill would modify the grants to producers to include 20 cents for each MMBtu of renewable methane and 10 cents for each gallon of biodiesel produced.

The Department of Agriculture indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 551 Department of Agriculture

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