

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 5, 2009

TO: Honorable Craig Estes, Chair, Senate Committee on Agriculture & Rural Affairs

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

IN RE: SB1666 by Estes (Relating to the establishment of the Bioenergy Policy Council and the Bioenergy Research Committee to encourage the development of cellulosic biofuels in the state.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1666, As Introduced: a negative impact of (\$340,114) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$176,057)
2011	(\$164,057)
2012	(\$164,057)
2013	(\$164,057)
2014	(\$164,057)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$176,057)	2.0
2011	(\$164,057)	2.0
2012	(\$164,057)	2.0
2013	(\$164,057)	2.0
2014	(\$164,057)	2.0

Fiscal Analysis

The bill would amend the Agriculture Code to establish the Bioenergy Policy Council and the Bioenergy Research Committee. The Bioenergy Policy Council would (1) provide a vision for unifying the state’s agricultural, energy, and research strengths in a successful launch of a cellulosic biofuel industry; (2) foster development of cellulosic-based fuels; and (3)pursue the creation of fourth energy biofuels research program.

The Bioenergy Research Committee would: (1) identify and research desirable biomass feedstock; (2) investigate logistical challenges to the planting, harvesting, and transporting of large volumes of biomass and provide recommendations to the policy council that will aid in overcoming barriers to the transporting, distributing, and marketing of biofuel; (3) provide a roadmap for the potential transition

of the agriculture industry in western regions to dryland bioenergy crops that are not dependent on groundwater resources; and (4) explore regions in the state that may have marginal land available for growing bioenergy feedstocks.

The bill would require the Department of Agriculture (TDA) to provide administrative support, including staff, to the Bioenergy Policy Council and the Bioenergy Research Committee.

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.

Methodology

TDA indicates that 2.0 FTEs would be required to provide administrative support for the Bioenergy Policy Council and the Bioenergy Research Committee. The annual salary costs for these two positions is estimated to be \$88,667; the annual benefit costs are estimated to be \$25,332; and the related travel, equipment, and operating expenses are estimated to be \$62,058 in fiscal year 2010 and \$50,058 in subsequent years. Other impacted agencies have indicated that creation of the Bioenergy Policy Council and Research Committee would not significantly impact agency resources.

Technology

The cost for computer equipment, software, and data center services would be \$9,200 in fiscal year 2010 and \$4,200 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 455 Railroad Commission, 473 Public Utility Commission of Texas, 551 Department of Agriculture, 580 Water Development Board, 582 Commission on Environmental Quality, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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