

SF1246 - 0 - Biofuel Financial Assistance

Chief Author: **Rob Kupec**  
 Committee: **Agriculture and Rural Development**  
 Date Completed: **2/10/2023 4:14:20 PM**  
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	115	115	115	115	115
<b>Total</b>	-	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
<b>Biennial Total</b>			<b>230</b>			<b>230</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	1	1	1	1
<b>Total</b>	-	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Chloe Burns      **Date:** 2/10/2023 4:14:20 PM  
**Phone:** 651-297-1423      **Email:** chloe.burns@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
General Fund	-	115	115	115	115	115
<b>Total</b>	<b>-</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
	<b>Biennial Total</b>		<b>230</b>	<b>230</b>		<b>230</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	115	115	115	115	115
<b>Total</b>	<b>-</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
	<b>Biennial Total</b>		<b>230</b>	<b>230</b>		<b>230</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>		<b>-</b>	<b>-</b>		<b>-</b>

**Bill Description**

This bill is for grants to retail fuel stations for the upgrade and replacement of dispensers, fuel storage tanks, and other equipment necessary to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes 239.7911. The grant awards must not exceed 65 percent of the cost of the appropriate technology and must not exceed \$200,000. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. An annual report is required.

**Assumptions**

The Minnesota Department of Agriculture (MDA) would use existing Biofuels Infrastructure Grant Program procedures, standards, and processes for grantmaking associated with this funding. MDA staff tasks include developing a Request for Proposals, soliciting grant applications, assembling an external grant review team, reviewing and ranking grant proposals, grant contract administration and grant oversight including site visits. Based on past practices of the MDA administering the Biofuels Infrastructure Grant Program, 1 FTE is required to administer approximately 20 grant awards. Grant awards must not exceed \$200,000. Beginning in Fiscal Year 24, the MDA assumes the salary and fringe expense is \$112,000 and non-salary cost would be \$3,022 for a total expense of \$115,022 annually per FTE including the report. The MDA estimates that no additional FTEs or other costs will be needed to do the report. MDA does not assume the funding amount appropriated in this bill and does not assume how many grants will be awarded.

**Expenditure and/or Revenue Formula**

Expenditure (Actual Dollars)	Amount	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Salary & Fringe:						
Program Administrator	112,000	0.00	112,000.00	112,000.00	112,000.00	112,000.00
	Subtotal	0	112,000	112,000	112,000	112,000
Non-Salary Costs						
Supplies/Communications/Other		0	3,022	3,022	3,022	3,022
	Subtotal	0	3,022	3,022	3,022	3,022
Expenditures	Total	0	115,022	115,022	115,022	115,022
	FTE	0.00	1.00	1.00	1.00	1.00

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

N/A

**References/Sources**

N/A

**Agency Contact:** Megan Lennon 651-201-6238

**Agency Fiscal Note Coordinator Signature:** Julie Sis

**Phone:** 651-201-6412

**Date:** 2/10/2023 3:55:12 PM

**Email:** julie.sis@state.mn.us