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FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/09
 LAST UPDATED 02/26/09 HJM 33/aHF1#1

SPONSOR Cote

SHORT TITLE Incentivize Biodiesel Industry SB _____

ANALYST Baca

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of House Floor Amendment #1

House Floor Amendment #1 reverses the responsibilities assigned to the Department of Agriculture and the Energy, Minerals and Natural Resources Department and their respective heads, NMDA Director and EMNRD Cabinet Secretary.

Synopsis of Original Bill

House Joint Memorial 33 requests the New Mexico Department of Agriculture and the Economic Development Department study the biodiesel industry and assess methods to incentivize the industry. Findings and recommendations are to be reported to the appropriate legislative interim committee by December 1, 2009. Copies of the memorial are to be transmitted to the director of NMDA and the secretary of NMEDD.

FISCAL IMPLICATIONS

The bill contains no appropriation. Costs for the conduct of the study are to be borne by the agencies involved and are unknown.

SIGNIFICANT ISSUES

According to House Joint Memorial 33, energy shortages have contributed to the current crises, and while key to moving the country into the twenty-first century and improving economic opportunities, efforts in this area have been slow moving.

During the 2007 legislative session the Senate Conservation Committee Substitute for Senate Bill 489 was enacted. This bill required state and local agencies use five percent biodiesel fuel in their vehicles. However, distribution of this product is limited because there are only two known biodiesel plants in New Mexico, the industry is stymied. For these reasons, the NMDA and the NMEDD are requested to conduct the study.

ADMINISTRATIVE IMPLICATIONS

Since there is no appropriation in the bill, existing staff and resources will have to be used to perform the study.

LRB/mc

