



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1076 (as introduced 2-23-06)
Sponsor: Senator Ron Jelinek
Committee: Technology and Energy

Date Completed: 3-1-06

CONTENT

The bill would amend the Michigan Strategic Fund Act to require the Fund to create and administer a matching grant program to provide incentives to service station owners and operators to convert existing fuel delivery systems, and to create new fuel delivery systems, designed to provide E85 fuel and biodiesel blends.

The grant program would have to provide grants of up to 50% of the costs to convert an existing fuel delivery system, not to exceed \$2,000 per facility; and up to 50% of the new construction costs to create a fuel delivery system, not to exceed \$20,000 per facility.

Proposed MCL 125.2078

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. Based on 2002 census data, the number of gas stations and gas stations with convenience stores in Michigan totals 4,201. This figure does not include large retailers that also sell gas, for example Meijer and Sam's Club. If 15% of these stations applied for and were awarded a conversion grant at the maximum level of \$2,000, the cost of these grants would be \$1,260,000, and if another 15% applied for and were awarded a new construction grant at the maximum level of \$20,000, the cost of the grants would be \$12,600,000. The bill does not identify a fund source for this grant program. Currently, the two major sources of revenue for the Michigan Strategic Fund are General Fund/General Purpose revenue, which is appropriated, and corporate revenue primarily from Indian casino gaming activities, which is not appropriated.

Fiscal Analyst: Elizabeth Pratt
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