

Legislative Analysis



RENEWABLE FUELS FUND

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 1130

Sponsor: Rep. Cameron S. Brown

House Committee: Agriculture

Senate Committee: Agriculture

Complete to 9-16-08

A SUMMARY OF SENATE BILL 1130 AS PASSED BY THE SENATE

The bill would amend the Motor Fuels Quality Act to create a Renewable Fuels Fund within the state treasury.

Fund structure. The Fund could accept money or assets from any source. The state treasurer would direct the investment of the Fund and credit it with its investment interest and earnings. At the close of the fiscal year, any money in the Fund would remain in it and not lapse to the General Fund.

Administration; Audits. The state treasurer would disburse money in the Fund on a quarterly basis to the Department of Agriculture, which would have to submit a summary of expenditures annually to the state treasurer. The Department of Agriculture would be considered the administrator of the Fund for auditing purposes.

Purposes. The Fund would be used to do one or more of the following:

- Promote the production and use of alternative fuels.
- Award grants to improve the production of alternative fuels in Michigan.
- Encourage the development of quality standards for renewable fuels.
- Provide incentives to retailers who sell renewable fuels.
- Promote the sale of vehicles that run on renewable fuels.

Definitions. "Renewable fuels" would include biodiesel, biodiesel blends, hydrogen fuel, and E85 fuel. (E85 fuel is defined as "a fuel blend containing between 70 percent and 85 percent denatured fuel ethanol and gasoline suitable for use in a spark-ignition engine and that meets American Society for Testing and Materials D-5798 specifications.")

This bill is similar in content to House Bill 5750, which has passed the House.

MCL 290.645a

FISCAL IMPACT:

The bill would amend the Motor Fuels Quality Act to create a Renewable Fuels Fund within the state treasury. The bill would allow money or assets from any source to be deposited into the Fund, but does not direct any particular fee or tax to the fund.

Legislative Analyst: Chris Couch
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.