

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 103** SLS 10RS 678

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 7, 2010	1:53 PM	Author: GAUTREAUX, N.
Dept./Agy.: Natural Resources		
Subject: Alternative Fuel Vehicle Revolving Loan Fund Program		Analyst: Stephanie C. Blanchard

FUNDS/FUNDING

RE SEE FISC NOTE SD EX See Note

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Creates the Alternative Fuel Vehicle Revolving Loan Fund Program within the Department of Natural Resources to provide financial assistance to political subdivisions of the state for the costs of purchasing or converting all or a portion of the Proposed law creates the Alternative Fuel Vehicle Revolving Loan Fund and Program within the Department of Natural Resources (DNR) through which the state may provide financial assistance to "local governing authorities" for the "costs of converting all or a portion of the local governing authority's fleet of motor vehicles to qualified clean fuel vehicles" propelled by an "alternative fuel." All grants, gifts, and donations received by the state for the purposes of the program; money appropriated by the legislature; including state funds to match any federal funds which are available to fund the program shall be deposited into and credited to the fund. Money in the fund shall be appropriated by the legislature and shall be used by DNR solely for administrative costs of and the purposes of the program. Repayment of principal and interest on program loans and other obligations financed from the fund may be used to finance other program loans and obligations, provided that reserves for expenditures for administration of the fund and program DNR deems necessary may be retained by the fund. Provides for authorized uses of the fund, loan conditions and repayment. The interest rate on each loan shall be established by DNR.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Sufficient funding will be necessary to loan monies to local governing authorities for the fuel conversions. Ultimately, the overall expenditures will depend upon the availability of seed monies and the demand for these funds by local governing authorities. DNR estimated that \$5M would appear to be sufficient seed money based upon the input that was received from communities regarding alternative fuel conversions/purchases. Oversight of the development, implementation, and management of the statewide program will be provided by the Office of the Secretary, in close coordination with the Technology Assessment Division. Administration of this program will be done by a current in-house financial manager in the Technology Assessment Division. Additional support will be provided by an in-house CPA who is currently working on monitoring and verification for economic stimulus programs.

DNR will provide a public authority, such as the Louisiana Public Facilities Authority (LPFA), federal funding that becomes available through a cooperative endeavor agreement such that LPFA will loan the funds to local political subdivisions. The LPFA will be compensated by a one-time upfront fee for administrative costs. Administrative costs would include software and marketing. The principal would continue to earn interest until it is loaned out. The interest could offset any of DNR's administrative costs.

REVENUE EXPLANATION

Neither a specific funding source, nor an amount was provided in this proposed legislation for the establishment of the Alternative Fuel Vehicle Revolving Loan Fund within the Department of Natural Resources. According to DNR, Petroleum Violation Escrow funds are an eligible source of funding for this program. This fund is comprised of funding from oil overcharge penalties that were assessed on oil companies in the 1980s. Approximately \$18M remains in this fund which is used for a variety of purposes related to energy conservation. Seed money in the amount of \$5M will be transferred from this funding. The LFO assumes that DNR will also pursue any available federal funds which may be available for such purpose. Any funds which are made available for the program will be budgeted in the Alternative Fuel Vehicle Revolving Loan Fund Program.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$100,000 Annual SGF Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Hosse
Robert E. Hosse
LFO Staff Director