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House Bill 5755 (Substitute H-1 as reported without amendment)
Sponsor: Representative John Stahl
House Committee: Agriculture
Senate Committee: Technology and Energy

CONTENT

The bill would amend the Motor Fuels Quality Act to do the following:

- Extend to diesel fuel, hydrogen fuel, biodiesel fuel, and biodiesel blend (alternative fuels) regulations concerning the quality, testing, storage, manufacture, delivery, and sale of gasoline.
- Require distributors and retail dealers of alternative fuels to obtain a license for each retail outlet.
- Require firms selling hydrogen in Michigan to register with and be approved by the Michigan Department of Agriculture.

The bill is tie-barred to House Bill 5751, which would amend the Motor Fuel Tax Act to:

- Allow a licensed supplier temporarily to claim a deduction for taxes paid for certain alternative fuels.
- Require the State Treasurer to make an annual determination of the difference between the amount of revenue collected under the bill and the amount that would have been collected under existing tax provisions.
- Require the Legislature to appropriate the amount of the difference to the Michigan Transportation Fund.

MCL 290.642 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would result in increased costs in excess of \$800,000 annually to the Michigan Department of Agriculture associated with the establishment and enforcement of fuel standards for certain fuels. This estimate was provided by the Department and does not include any capital investment associated with laboratory conversions/modifications required to regulate certain fuels. These additional costs would have to be borne by existing resources as the bill would not provide for any new revenue.

Date Completed: 6-2-06

Fiscal Analyst: Bruce Baker