

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7018

BILL NUMBER: HB 1338

DATE PREPARED: Feb 23, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Tobacco Farmers and Rural Community Impact Fund.

FISCAL ANALYST: Kathy Norris

PHONE NUMBER: 234-1360

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X **FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill specifies that the agricultural mentoring, entrepreneurial leadership development, and tuition and scholarship assistance components of the Tobacco Farmers and Rural Community Impact Fund are restricted to displaced tobacco growers whose crop production has been reduced and to children and stepchildren of such growers. The bill also provides that after July 1, 2004, gasoline sold, offered for sale, or used in Indiana may not contain more than one-half percent by volume of methyl tertiary butyl ether (MTBE).

Effective Date: July 1, 2002.

Explanation of State Expenditures: This bill would limit the definition of eligible persons for benefits available under the Tobacco Farmers and Rural Community Impact Fund. There is no fiscal impact for the bill. The bill does not change the level of funding available; it restricts the population who may receive benefit from the funds available.

Explanation of State Revenues: (Revised) The MTBE requirement for gasoline sold in Indiana is expected to have a minimal, if any, fiscal impact. Whatever impact does occur will be in the receipt of federal funds, but the amount is indeterminable. Specific data on the number of gallons of gasoline sold which contain MTBE are not available. The federal Energy Information Administration, which tracks such data, and the Department of State Revenue have indicated that they have no specific data on the use of MTBE. The Indiana Petroleum Council has also indicated that it does not have any specific data on the use of MTBE, and any fiscal impact would be minimal and would impact federal funds.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Commerce, the Commissioner of Agriculture, and the Department of Transportation.

Local Agencies Affected:

Information Sources: Joe Pearson, Assistant Commissioner of Agriculture, (317) 232-8774; Tancred Lidderdale, Energy Information Administration, 202-586-7321; Chris Kubik, Economist, Dept. of Transportation, 232-5640; Stan Pinnegar, Indiana Petroleum Council, 639-2588.