

Legislative Analysis



ALTERNATIVE FUELS FUND

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House Bill 5750 (Substitute H-1)

Sponsor: Rep. Kathleen Law

Committee: Agriculture

Complete to 6-27-08

A SUMMARY OF HOUSE BILL 5750 AS REPORTED FROM COMMITTEE 5-15-08

The bill would amend the Motor Fuels Quality Act to create an Alternative Fuels Fund within the state treasury. (Proposed MCL 290.645a)

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 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 alternative fuels.
- Provide incentives to retailers who sell alternative fuels.
- Promote the sale of vehicles that run on alternative fuels.

Definitions. "Alternative 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.")

FISCAL IMPACT:

The bill would amend the Motor Fuels Quality Act to create an Alternative 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.

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