

**BDR 43-796**  
**A.B. 237**

LOCAL GOVERNMENT  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 14, 2003

Agency Submitting: Washoe County, Counties

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2002-03</b>	<b>Fiscal Year 2003-04</b>	<b>Fiscal Year 2004-05</b>	<b>Effect on Future Biennia</b>
Increased cost of diesel fuel (Expense)	\$7,900	\$8,700	\$9,500	\$21,000
Total	\$7,900	\$8,700	\$9,500	\$21,000

Explanation (Use Additional Sheets of Attachments, if required)

Washoe County operates 41 diesel motor vehicles which consumed 39,403 gallons of diesel fuel in 2002. Given the incremental cost increase for processing B5 biodiesel, the fiscal impact in Washoe County would result in an estimated \$6,000 to \$7,900 increased cost for diesel to fuel these vehicles. If a B5 biodiesel producer entered the Northern Nevada market, the increased fuel price would essentially drop to an estimated \$2,000 to \$4,000 annual increase.

The ten percent annual increase (fiscal impact) considers both additional vehicles that operate on B5 as well as potential increased fuel costs.

Washoe County has successfully used B20 biodiesel in a pilot program in Washoe County and is aware of other regulated local fleets which have operated exclusively on B20 biodiesel.

The environmental benefits of B5 biodiesel far outweigh the overall price increase associated with the use of biodiesel. Washoe County should support the use of B5 biodiesel in this area.

As ethanol diesel is considered an experimental fuel, no ASTM standards have been established in the State of Nevada for ethanol diesel, given its potentially corrosive characteristics and the need for potential infrastructure retrofits (fueling sites, availability and vehicle/equipment modifications), the use of ethanol diesel should not be supported at this time.

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