

HOUSE BILL REPORT

EHB 1883

*As Passed House
March 20, 1991*

Title: An act relating to gasohol.

Brief Description: Encouraging gasohol.

Sponsor(s): Representatives R. Meyers, Chandler, Grant, Nealey, Hochstatter, McLean, Vance, Riley, Bray, Paris, Jacobsen, May, Betrozoff, Wynne, Moyer, D. Sommers and Rasmussen.

Brief History:

Reported by House Committee on:
Energy & Utilities, February 26, 1991, DPA;
Transportation, March 7, 1991, DPA(EN);
Passed House, March 20, 1991, 98-0.

**HOUSE COMMITTEE ON
ENERGY & UTILITIES**

Majority Report: *Do pass as amended.* Signed by 10 members: Representatives Grant, Chair; H. Myers, Vice Chair; May, Ranking Minority Member; Hochstatter, Assistant Ranking Minority Member; Bray; Casada; Cooper; R. Fisher; Miller; and Rayburn.

Staff: Fred Adair (786-7113).

**HOUSE COMMITTEE ON
TRANSPORTATION**

Majority Report: *Do pass as amended by Committee on Energy & Utilities.* Signed by 27 members: Representatives R. Fisher, Chair; R. Meyers, Vice Chair; Betrozoff, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Basich; Brough; Cantwell; Cooper; Day; G. Fisher; Forner; Haugen; Heavey; Horn; P. Johnson; R. Johnson; Jones; Kremen; Mitchell; Nelson; Orr; Prentice; Prince; Schmidt; Wilson; Wood; and Zellinsky

Staff: Brad Lovaas (786-7307).

Background: Gasohol, 90 percent gasoline and 10 percent ethanol, reduces dependency on imported oil, makes use of

indigenous, renewable feedstocks, and its use results in less air pollution.

A number of financial incentives have been established to encourage production of ethanol for use in gasohol and for distributing gasohol. Among these is exemption of motor vehicle fuel alcohol manufacturers and gasohol distributors from the business and occupation tax and partial exemption from motor vehicle fuel tax until December 31, 1992.

Summary of Bill: The motor vehicle fuel tax exemption is continued until December 31, 1999.

Fiscal Note: Requested March 4, 1991.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Energy & Utilities): State surplus farm crops, including spoiled ones that must be destroyed, make excellent feedstocks for ethanol production.

Increased gasohol use will improve the state's agricultural and broader economy, lessen dependence on foreign oil, and reduce air pollution.

(Transportation): Increased gasohol use will lessen dependence on foreign oil and reduce air pollution.

Testimony Against: (Energy & Utilities): There is potential for damage to engines, dangerously so for two-cycle engines. The warning on gas pumps may not get everyone's attention. There is increased formaldehyde formulation. The preference would be having a variety of choices in fuel blending.

(Transportation): None.

Witnesses: (Energy & Utilities): Representative Darwin Nealey, prime sponsor (pro); Representative Gary Chandler (pro); Dr. William Kensel, Washington State University/Tri-Cities Campus (pro); Mike Ryherd, Time Oil Company (pro); Lis Guildemeister, Washington Association of Wheat Growers and Washington Association of Oil Marketers (pro); Jim Harding and Dr. Jim Kerstetter, State Energy Office (pro); Mike Gallion, small engine repair business owner (con); Jack Swanberg, Northwest Marine Trade Association (no position); Vern Lindskog and Jim White, ARCO (con); and Bruce Olson, American Automobile Association of Washington (con).

(Transportation): Mike Ryherd, Time Oil Company.