

SENATE BILL REPORT

HB 1883

AS REPORTED BY COMMITTEE ON ENERGY & UTILITIES, APRIL 5, 1991

Brief Description: Encouraging gasohol.

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

HOUSE COMMITTEE ON ENERGY & UTILITIES

HOUSE COMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Jesernig, Nelson, Patterson, Roach, Stratton, Sutherland, and Williams.

Staff: Dave Monthie (786-7198)

Hearing Dates: April 4, 1991; April 5, 1991

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.

Motor fuels with ethanol may be marketed if the base fuel meets applicable standards.

SUMMARY:

The motor vehicle fuel tax exemption is continued until December 31, 1999.

Motor fuels with ethanol may be marketed if the resultant blend meets applicable fuel standards.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Continuing the tax exemption fosters the use of alternative fuel and offsets the higher costs of producing ethanol.

TESTIMONY AGAINST: None

TESTIFIED: Mike Ryherd, Time Oil Co. (pro)