

HOUSE BILL REPORT

HB 1883

*As Reported By House Committee on:
Energy & Utilities*

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.

**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).

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

Amended Bill Compared to Original Bill: It is the motor vehicle fuel tax rather than the business and occupation tax that is continued until December 31, 1999.

Fiscal Note: Requested February 13, 1991.

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

Testimony For: 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.

Testimony Against: 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.

Witnesses: 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).