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FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/2009

SPONSOR Crook LAST UPDATED _____ HB 714

SHORT TITLE Availability of Unblended Gasoline SB _____

ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Transportation (NMDOT)

SUMMARY

Synopsis of Bill

House Bill 714 requires that wholesale bulk gasoline distributors make unblended gasoline available to certain retailers for use in:

“A. aircraft:

- (1) with a supplemental type certificate approved by the federal aviation administration that allows aircraft to use gasoline that is intended for use in motor vehicles; or
- (2) issued a type of certificate by an aircraft engine manufacturer that allows aircraft to use gasoline that is intended for use in motor vehicles;

B. aircraft that have been issued an experimental certificate, described in 14 C.F.R. 21.191, by the federal aviation administration and that are required by the manufacturer's specifications to use gasoline that is intended for use in motor vehicles;

C. light-sport aircraft, as defined in 14 C.F.R. 1.1, that are required by the manufacturer's specifications to use gasoline that is intended for use in motor vehicles;

D. vintage aircraft that are required by the manufacturer's specifications to use gasoline that is intended for use in motor vehicles;

E. motorized vehicles whose engines are designed to use non-blended premium fuel;

F. tools, including but not limited to lawn mowers, leaf blowers and chain saws; or

G. watercraft.”

House Bill 714 contains an emergency clause.

FISCAL IMPLICATIONS

NMDOT indicates that passage of this bill will not have fiscal impact.

SIGNIFICANT ISSUES

Refined aviation low lead gasoline will be phased out of production within five (5) years. Automobile gasoline can be and is used in many aircraft piston engines. All automobile gasoline is delivered unblended to bulk fuel terminals. Fuel is blended at the terminal. Ethanol and other additives are blended per the distributor's requirements.

Premium grade automobile gas may or may not contain ethanol depending on local ordinances. Unblended premium automobile fuel must be available for aircraft. In many markets it is becoming difficult to obtain unblended premium automobile fuel. This presents a serious safety issue for many aircraft owners who need access to unblended fuel for their aircraft.

Actual engine runs and in-flight testing studies by the Experimental Aircraft Association (EAA), Cessna and the Federal Aviation Administration (FAA) have shown that using 10% or 15% ethanol-blended gasoline is harmful to aircraft fuel systems.

Issues include:

- Ethanol blended fuel adversely affects volatility of the fuel, leading to vapor lock; resulting water (that was held by the ethanol) could overwhelm fuel filters/sediment bowls; and
- Entire fuel systems are harmed as ethanol is a collector of water and other fuel contaminants which, in turn, forms an acid that affects all types of components, attacking rubber and composite components, fuel hoses, fuel pumps, and fuel filters.

Over 30,000 aircraft currently use unblended premium grade gasoline. It is likely that virtually every piston engine powered aircraft in New Mexico could be without access to fuel when refined aviation low lead gasoline is phased out of production in five (5) years.

The problems with ethanol-blended fuels cross recreational activity boundaries to include motorboats, snowmobiles, vintage cars, and other recreational vehicles. Problems include the same issues facing aircraft, in addition to damage to fiberglass fuel tanks, rubber gaskets/fuel lines and corrosion damage to soft metals (aluminum, copper, etc.).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDOT indicates that serious safety issues for general aviation piston powered aircraft will continue if unblended fuel is not available for purchase by aircraft owners and operators.