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FISCAL IMPACT REPORT

SPONSOR Soules LAST UPDATED _____
ORIGINAL DATE 1/25/2023
BILL _____
SHORT TITLE Sale of Unleaded Fuel at Airports BILL NUMBER Senate Bill 75
ANALYST Simon

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact*					
Total						

Parentheses () indicate expenditure decreases.

*See Fiscal Impact section for further discussion.

Sources of Information

LFC Files

Responses Received From

Department of Transportation

SUMMARY

Synopsis of Senate Bill 75

Senate Bill 75 (SB75) would require airports to allow the sale of unleaded fuel at an airport.

This bill does not contain an effective date, and as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed.

FISCAL IMPLICATIONS

SB75 could lead some New Mexico airports, which generally do stock unleaded fuel for piston-engine aircraft, to seek funds to install an additional storage and dispensing system. A recent report (see below for additional information), estimated the cost of installing these systems at a small airport at more than \$100 thousand. According to the Aviation Division of the New Mexico Department of Transportation, there are 50 paved airports in New Mexico. If all of these airports were to install new storage and dispensing systems, the estimated cost would be more than \$5 million. However, SB75 would not directly require the installation of such systems.

SIGNIFICANT ISSUES

Piston-engine aircraft that burn 100 octane low lead gasoline are responsible for a large portion

of the continuing emission of lead into the air. As a result, the Federal Aviation Administration (FAA) has begun to plan for a transition to lead-free fuels by the end of 2030. However, at this point, most piston-engine aircraft are only certified by the FAA to use gasoline with lead added, creating an obstacle to wider availability of unleaded aviation fuel.

In 2018, the United State Congress required the U.S. secretary of transportation to commission a study from the National Academies of Sciences, Engineering and Medicine on aviation gasoline, including “existing non-leaded fuel alternatives to the aviation gasoline used by piston-powered general aviation aircraft.” The study was published in January 2021 and included recommendations that the FAA encourage greater use of unleaded aviation gas by piston-engine aircraft that can safely use this fuel. The recommendations included providing airports incentives to supply unleaded fuel.

SB75 would require airports to allow a pilot to purchase unleaded aviation fuel, assuming the pilot could find a supplier willing to provide the one fuel blend currently allowed by the FAA for some aircraft. While the bill may be successful in allowing some purchases of unleaded aviation fuel, wider availability of unleaded gasoline may be limited until the FAA completes its transition to lead free fuels by the end of 2030.

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