

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1339 (Fourth Edition)

SHORT TITLE: Gasoline and Fuel Alcohol Blending.

SPONSOR(S): Senator Jenkins

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES					
EXPENDITURES	See Technical Considerations				
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
EFFECTIVE DATE:	When the bill becomes law.				

BILL SUMMARY:

March 21, 2007

S 1339. DELAY ECOSYSTEM ENHANCEMENT PROGRAM FEES. Filed 3/21/07. TO DELAY THE EFFECTIVE DATE OF A PROPOSED RULE CONSIDERED FOR ADOPTION BY THE ENVIRONMENTAL MANAGEMENT COMMISSION TO INCREASE CERTAIN FEES UNDER THE ECOSYSTEM ENHANCEMENT PROGRAM.

Delays the effective date of the proposed rules noticed in 21 NC Reg 1086 to 15A NCAC 2R .0402 (for the schedule of fees for payment into the Wetland Restoration Fund necessary to achieve compliance with compensatory mitigation requirements) until the submission of the final report on: (1) the study of the merger of the Ecological Enhancement Program and the Clean Water Management Trust Fund; and (2) the study of the nutrient offset payment program.

May 14, 2007

S 1339. DELAY ECOSYSTEM ENHANCEMENT PROGRAM FEES. Filed 3/21/07. Senate amendment makes the following changes to 1st edition. Makes clarifying and technical changes.

July 2, 2008

S 1339. GASOLINE AND FUEL ALCOHOL BLENDING (NEW). Filed 3/21/07. House committee substitute makes the following changes to 2nd edition. Completely rewrites bill so it now is entitled AN ACT TO REQUIRE SUPPLIERS THAT IMPORT GASOLINE FOR SALE IN THE STATE TO OFFER GASOLINE FOR SALE TO A DISTRIBUTOR OR RETAILER THAT IS NOT PRE-BLENDED WITH FUEL ALCOHOL AND THAT IS SUITABLE FOR SUBSEQUENT BLENDING WITH FUEL ALCOHOL AND TO PROVIDE THAT CONTRACT PROVISIONS THAT RESTRICT OR PREVENT DISTRIBUTORS OR RETAILERS FROM BLENDING GASOLINE AND FUEL ALCOHOL ARE VOID. Enacts new GS 75-90 for purposes indicated in new title.

July 7, 2008

S 1339. GASOLINE AND FUEL ALCOHOL BLENDING. Filed 3/21/07. House amendments make the following changes to 3rd edition. Amendment #2 amends proposed new GS 75-90(c) to state that any provision of any contract that would restrict or prevent a distributor or retailer from blending gasoline with fuel alcohol or from qualifying for any tax credit due to blenders is contrary to public policy and is void (previously, this provision was stated as a General Assembly finding). Amendment #1 also provides that the proposed subsection does not impair existing contractual obligations but its provisions apply if an existing contract is modified, amended, or renewed

Source: Bill Digest S.B. 1339 (03/21/0200).

ASSUMPTIONS AND METHODOLOGY: The Department of Revenue and the Department of Agriculture have each indicated that they expect no fiscal impact on their operations from passage of this bill.

SOURCES OF DATA: Department of Revenue, Department of Agriculture, South Carolina Department of Revenue

TECHNICAL CONSIDERATIONS: It has been noted in the petroleum industry that such bills may be challenged on constitutional grounds. In South Carolina a similar bill was passed, vetoed, passed over the veto, and challenged in court. An injunction has been granted against enforcement until the case can be heard on the merits. South Carolina Department of Revenue officials indicate that defending against the suit can cost hundreds of thousands of dollars with the possibility of similar or greater costs if the State does not prevail and must pay legal fees.

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DATE: July 10, 2008



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