

BILL ANALYSIS

Senate Research Center
80R13225 BEF-D

C.S.S.B. 1249
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Natural Resources
4/3/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires fuel dispensers to be labeled if the alcohol/fuel mixture sold through the dispensers contains more than one percent alcohol (ethanol). If the fuel mixture contains in excess of ten percent ethanol, the label must specify the exact percentage of ethanol present in the mixture.

Federal law currently requires refiners to blend a minimum of 4 billion gallons of ethanol each year with gasoline and mandates that the use of ethanol in gasoline increase each year. To meet this requirement, Texas refiners are using ethanol to replace the fuel additive MTBE in gasoline. In addition, either MTBE or ethanol is required in order to comply with the federal requirement in the Dallas/Fort Worth and Houston/Galveston areas for reformulated gasoline.

The exact percent of ethanol present in fuels sold at retail may vary to such an extent that labeling to the nearest whole percent is impossible. The Texas Department of Agriculture (TDA) granted a temporary waiver which allowed retailers to utilize a label on their dispensers stating "Contains up to 10% Ethanol."

C.S.S.B. 1249 amends current law to conform to the waiver issued by TDA. This bill ensures that consumers are informed of their gasoline's ethanol content and provides retailers a means to comply with labeling requirements.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1(3), Chapter 1033, Acts of the 71st Legislature, Regular Session, 1989 (Article 8614, V.T.C.S.), to provide that "distributor," "permissive supplier," and "supplier" have the meanings assigned by Section 162.001 (Definitions), rather than 153.001, Tax Code. Makes conforming changes.

SECTION 2. Amends Section 3(b), Chapter 1033, Acts of the 71st Legislature, Regular Session, 1989 (Article 8614, V.T.C.S.), to provide that a sign required under Subsection (a) of this section (Posting Notice of Sale of Alcohol and Motor Fuel Mixture) must state "Contains up to 10% Ethanol" or "Contains Methanol," rather than "Contains Ethanol" or "Contains Methanol," as applicable. Makes a nonsubstantive change.

SECTION 3. Amends Section 3B, Chapter 1033, Acts of the 71st Legislature, Regular Session, 1989 (Article 8614, V.T.C.S.), to delete existing text to make conforming changes.

SECTION 4. Amends Section 4(a), Chapter 1033, Acts of the 71st Legislature, Regular Session, 1989 (Article 8614, V.T.C.S.), to delete wholesaler and jobber from, and include permissive supplier in, the list of persons who are prohibited from making a delivery of certain motor fuel mixtures unless the person delivers to the outlet receiving the delivery at the time of the delivery certain documents. Deletes existing text prohibiting the delivery of certain motor fuel without providing the sign described in Section 3 of this Act in sufficient quantities for the dealer receiving the motor fuel mixture to comply with the requirements of this Act at the time of delivery. Makes conforming changes.

SECTION 5. Effective date: September 1, 2007.