

Senate Bill 115

By: Senators Ginn of the 47th, Jones of the 25th, Shafer of the 48th, Unterman of the 45th, Jeffares of the 17th and others

A BILL TO BE ENTITLED  
AN ACT

To amend Article 8 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to petroleum products, brake fluid, and antifreeze, so as to prohibit the sale of ethanol gasoline within the state; to amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, so as to provide for conformity; to amend Chapter 8 of Title 50 of the Official Code of Georgia Annotated, relating to the Department of Community Affairs, so as to repeal a program providing grants for the promotion of E-85 gasoline; to provide for legislative findings; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

The General Assembly makes the following findings regarding gasoline containing ethanol or ethyl alcohol as an additive:

(1) Ethanol or ethyl alcohol increases water formation which can then corrode metals, plastics, and rubber, especially over a period of time when a motor vehicle is not used. High-performance specialty parts along with older cars and parts may be most susceptible to such corrosion.

(2) The life span of vehicles and equipment can be dramatically reduced with the wrong fuel and owners could be confronted with breakdowns. Anti-corrosion additives are available for each purchase of gasoline but can become expensive, burdensome, and require consumer education.

(3) There has been an inability to obtain unblended gasoline for engines that may be damaged by ethanol or ethyl alcohol, including collector vehicles, off-road vehicles, motorcycles, or small engines.

(4) There are many potential, negative risks from increased production of ethanol or ethyl alcohol for liquid fuels, such as direct conflicts between land for fuels and land for

26 food, other land-use changes, water scarcity, loss of biodiversity, and nitrogen pollution  
27 through the excessive use of fertilizers.

28 **SECTION 2.**

29 Article 8 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to  
30 petroleum products, brake fluid, and antifreeze, is amended in Code Section 10-1-162,  
31 relating to substitution or misbranding of petroleum products, sale of used or reclaimed  
32 lubricants, injunctions, and enforcement, by adding a new subsection to read as follows:

33 "(j) No person shall sell or offer for sale within this state any gasoline that has been mixed,  
34 blended, or compounded with ethanol or ethyl alcohol as an additive."

35 **SECTION 3.**

36 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
37 amended in Code Section 48-7-40.16, relating to income tax credits for low-emission  
38 vehicles, by revising paragraph (1) of subsection (a) as follows:

39 "(1) 'Alternative fuel' means methanol, denatured ethanol, and other alcohols; mixtures  
40 containing 85 percent or more by volume of methanol, ~~denatured ethanol, and or~~ other  
41 alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal  
42 derived liquid fuels; fuels other than alcohol derived from biological materials; and  
43 electricity, including electricity from solar energy."

44 **SECTION 4.**

45 Said title is further amended in Code Section 48-8-3, relating to exemptions from state sales  
46 and use taxes, by revising paragraph (34.4) as follows:

47 "(34.4)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary,  
48 sales of tangible personal property to, or used in or for the construction of, an  
49 alternative fuel facility primarily dedicated to the production and processing of ~~ethanol,~~  
50 biodiesel, butanol, and their by-products, when such fuels are derived from biomass  
51 materials such as agricultural products, or from animal fats, or the wastes of such  
52 products or fats.

53 (B) As used in this paragraph, the term:

54 (i) 'Alternative fuel facility' means any facility located in this state which is primarily  
55 dedicated to the production and processing of ~~ethanol,~~ biodiesel, butanol, and their  
56 by-products for sale.

57 (ii) 'Used in or for the construction' means any tangible personal property  
58 incorporated into a new alternative fuel facility that loses its character of tangible  
59 personal property. Such term does not mean tangible personal property that is

temporary in nature, leased or rented, tools, or other items not incorporated into the facility.

(C) Any person making a sale of tangible personal property for the purpose specified in this paragraph shall collect the tax imposed on this sale unless the purchaser furnishes an exemption certificate issued by the commissioner certifying that the purchaser is entitled to purchase the tangible personal property without payment of tax.

(D) Any corporation, partnership, limited liability company, or any other entity or person that qualifies for this exemption must conduct at least a majority of its business with entities or persons with which it has no affiliation.

(E) The exemption provided for under subparagraph (A) of this paragraph shall not apply to sales of tangible personal property that occur after the production and processing of biodiesel, ~~ethanol~~, butanol, and their by-products ~~has~~ have begun at the alternative fuel facility.

(F) The exemption provided for under subparagraph (A) of this paragraph shall apply only to sales occurring during the period July 1, 2007, through June 30, 2012.

(G) The commissioner shall promulgate any rules and regulations necessary to implement and administer this paragraph;"

#### **SECTION 5.**

Chapter 8 of Title 50 of the Official Code of Georgia Annotated, relating to the Department of Community Affairs, is amended by repealing in its entirety Article 7, relating to grants promoting E-85 gasoline, and designating said article as reserved.

#### **SECTION 6.**

This Act shall become effective on January 1, 2018.

#### **SECTION 7.**

All laws and parts of laws in conflict with this Act are repealed.