

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 1037

PRINTER'S NO. 1581

AMOUNT

No Adverse Fiscal Impact

No Adverse Fiscal Impact

Significant Unquantifiable Savings

FUND

General Fund

Federal Funds

Consumers & Businesses

DATE INTRODUCED

June 24, 2013

PRIME SPONSOR

Senator Vogel

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1037 amends the Air Pollution Control Act (Act 787 of 1959) to instruct the Environmental Quality Board to promulgate regulations to repeal the provisions of Subchapter C. Gasoline Volatility Requirements, in Chapter 126 of PA Code 25. The repeal of this subchapter will eliminate statutory requirements for low Reid Vapor Pressure (RVP) gasoline ("summer gas") to solely be sold for the seven counties in the Pittsburgh-Beaver Valley Area. These counties are: Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland.

By repealing the entire subchapter, a retailer or wholesale purchaser-consumer will no longer be prohibited from selling, exchanging or supplying non-compliant gasoline during the period, June 1 through September 15 of each year; recordkeeping and reporting requirements will be eliminated; and compliance and test methods will no longer be specified.

The requirement for the exclusive sale of the low RVP gasoline in this seven-county region results in consumers paying higher prices during the summer months when the requirement is in effect. The higher price is due to the overall very low demand for this "boutique" fuel being produced by the industry.

The act takes effect immediately.

FISCAL IMPACT:

The low RVP gasoline requirements were implemented by the Department of Environmental Protection (DEP) in 1998 to meet federal air pollution control requirements. The low RVP gasoline requirements were included in the Commonwealth's State Implementation Plan (SIP) to meet these federal clean air requirements. The SIP was prepared by DEP and approved by the Environmental Protection Agency (EPA).

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

The repeal of the RVP gasoline standard is not anticipated to violate the Commonwealth's approved SIP nor threaten the loss of federal transportation funding, due to actions taken by both PennDOT and DEP to identify other control strategies to address the anti-backsliding requirements of the federal Clean Air Act.

However, if necessary, DEP will petition the EPA and secure a waiver or update the Commonwealth's SIP, thereby definitively eliminating any potential loss of federal transportation funds resulting from the repeal of the low RVP gasoline requirements.

Businesses, residents, consumers and travelers will no longer have to purchase the higher-priced low RVP gasoline in this seven-county area during the summer months, thus saving money and having a positive economic impact on the region.