

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass  
**Vote:** 6 - 0 - 2  
**Yeas:** Edwards C., Garrard, Gelser, Jenson, Read, Roblan  
**Nays:** 0  
**Exc.:** Berger, Nolan  
**Prepared By:** Patrick Brennan, Administrator  
**Meeting Dates:** 6/5, 6/18

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**WHAT THE MEASURE DOES:** Exempts gasoline with an octane rating of 91 or above from mandate to blend gasoline with ethanol

**ISSUES DISCUSSED:**

- 2007 ethanol mandate and 2008 exemptions

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** House Bill 2210 (2007) instituted the requirement that gasoline retailers can only sell gasoline that contains at least 10 percent ethanol once Oregon production of ethanol reached 40 million gallons per year. House Bill 1079 (2008) amended the requirement by permitting the sale of non-blended gasoline for several non-road uses, including: certain aircraft that utilize motor vehicle fuel (the blending requirement does not apply to aviation gasoline); antique vehicles; Class I and Class III all-terrain vehicles; racing activity vehicles; snowmobiles; tools such as leaf blowers; and watercraft. The exemptions were created because of reported problems experienced by the exempted devices and because the ethanol blending requirement was designed to apply to vehicles on Oregon roads.

The ethanol in gasoline sold in Oregon is typically blended at the terminal prior to distribution to retailers. In addition, most retail sellers maintain only one or two underground tanks for gasoline; one for regular unleaded and one for premium-grade unleaded. These two factors have limited the availability of unblended fuels to owners of the vehicles and tools exempted from the ethanol requirement.

House Bill 3497 exempts premium gasoline, which has an octane rating of 91 or above, from the 10 percent ethanol blending requirement imposed under ORS 646.913.