

Senate Bill 525

By: Senators Gooch of the 51st, Ginn of the 47th, Robertson of the 29th, Harbin of the 16th,
Goodman of the 8th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Titles 10, 48, and 50 of the Official Code of Georgia Annotated, relating to
2 commerce and trade, revenue and taxation, and state government, respectively, so as to
3 prohibit the sale of ethanol gasoline within the state; to remove ethanol from definitions
4 allowing for tax credits and tax exemptions; to repeal a program providing grants for the
5 promotion of E-85 gasoline; to provide for legislative findings; to provide for related matters;
6 to provide for an effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

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

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

15 (2) The life span of motor vehicles and equipment can be dramatically reduced with the
16 wrong fuel and motor vehicle owners could be confronted with breakdowns.

17 Anti-corrosion additives are available for each purchase of gasoline but can become
18 expensive, burdensome, and require consumer education;

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

22 (4) There are many potential negative risks from increased production of ethanol or ethyl
23 alcohol for liquid fuels, such as direct conflicts between land for fuels and land for food,
24 other land use changes, water scarcity, loss of biodiversity, and nitrogen pollution
25 through the excessive use of fertilizers.

26

SECTION 2.

27 Title 10 of the Official Code of Georgia Annotated, relating to commerce and trade, is
28 amended in Code Section 10-1-162, relating to substitution or misbranding of petroleum
29 products, sale of used or reclaimed lubricants, injunctions, and enforcement, by adding a new
30 subsection to read as follows:

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

33

SECTION 3.

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

38 "(1) 'Alternative fuel' means methanol, denatured ethanol, and other alcohols; mixtures
39 containing 85 percent or more by volume of methanol, ~~denatured ethanol,~~ and or other
40 alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal

41 derived liquid fuels; fuels other than alcohol derived from biological materials; and
42 electricity, including electricity from solar energy."

43 **SECTION 4.**

44 Said title is further amended in Code Section 48-8-3, relating to exemptions, by revising
45 paragraph (34.4) as follows:

46 "(34.4)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary,
47 sales of tangible personal property to, or used in or for the construction of, an
48 alternative fuel facility primarily dedicated to the production and processing of ~~ethanol~~,
49 biodiesel, butanol, and their by-products, when such fuels are derived from biomass
50 materials such as agricultural products, or from animal fats, or the wastes of such
51 products or fats.

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

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

56 (ii) 'Used in or for the construction' means any tangible personal property
57 incorporated into a new alternative fuel facility that loses its character of tangible
58 personal property. Such term does not mean tangible personal property that is
59 temporary in nature, leased or rented, tools, or other items not incorporated into the
60 facility.

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

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

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

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

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

76 **SECTION 5.**

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

80 **SECTION 6.**

81 This Act shall become effective on January 1, 2025.

82 **SECTION 7.**

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