Legislative Analysis



EMERGENCY SUSPENSION OF GASOLINE VAPOR PRESSURE RESTRICTIONS

House Bill 5722 as introduced Sponsor: Rep. Jason M. Sheppard Committee: Government Operations

Complete to 4-29-20

Phone: (517) 373-8080 http://www.house.mi.gov/hfa

Analysis available at http://www.legislature.mi.gov

SUMMARY:

House Bill 5722 would amend the Motor Fuels Quality Act to suspend application of an administrative rule concerning seasonal vapor pressure restrictions on the sale of gasoline. The bill is a codification into statute of Executive Order 2020-31.

On March 10, 2020, Michigan's first patient tested positive for COVID-19, at which time Governor Whitmer declared a statewide state of emergency. On March 23, the governor signed a "Stay Home, Stay Safe" executive order directing all state businesses and operations to temporarily suspend in-person operations not necessary to sustain or protect life. ²

Because of the reduced demand for gasoline due to the measures taken in response to the COVID-19 pandemic, fuel distribution and storage systems, both statewide and nationally, had a surplus of unsold higher volatility winter-blend gasoline. On March 27, 2020, in response to this situation, the U.S. Environmental Protection Agency issued a waiver of its vapor pressure fuel standards to allow for the extended sale of winter-blend gasoline.³

Executive Order 2020-31,⁴ issued March 30, temporarily suspends R 285.564.4(g) of the Michigan Administrative Code⁵ to extend the time during which winter-blend gasoline can be sold in Michigan. (Ordinarily under the rule, that gasoline cannot be sold after April 1, when the transition to lower volatility summer-blend gasoline must begin.) The Department of Agriculture and Rural Development is charged with coordinating state compliance with the rule suspension. The order took effect immediately and continues through May 31, 2020.

<u>House Bill 5722</u> would amend section 9k of the Motor Fuels Quality Act, which authorizes the governor to suspend low vapor fuel pressure provisions of the act or its rules during a state of emergency, to add a provision stating that R 285.564.4(g) of the Michigan Administrative Code does not apply from March 30, 2020, to June 1, 2020.

MCL 290.643 and 290.649k

House Fiscal Agency Page 1 of 2

¹ Executive Order 2020-04, issued March 10, 2020 (https://www.legislature.mi.gov/documents/2019-2020/executiveorder/pdf/2020-EO-33.pdf). (https://www.legislature.mi.gov/documents/2019-2020/executiveorder/pdf/2020-EO-33.pdf).

² Executive Order 2020-21, issued March 23, 2020 (https://www.legislature.mi.gov/documents/2019-2020/executiveorder/pdf/2020-EO-21.pdf); extended through April 30, 2020 on April 9, 2020 by Executive Order 2020-42 (https://www.legislature.mi.gov/documents/2019-2020/executiveorder/pdf/2020-EO-42.pdf).

³ https://www.epa.gov/sites/production/files/2020-

 $[\]underline{03/documents/nationwide fuel waiver concerning summer gasoline.pdf}$

⁴ https://www.legislature.mi.gov/documents/2019-2020/executiveorder/pdf/2020-EO-31.pdf

⁵ See https://dtmb.state.mi.us/ORRDocs/AdminCode/200 10187 AdminCode.pdf



The bill has no direct fiscal impact on state or local government.

Legislative Analyst: Rick Yuille

Fiscal Analyst: William E. Hamilton

House Fiscal Agency HB 5722 as introduced Page 2 of 2

[■] This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.