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FISCAL IMPACT REPORT

SPONSOR Soules LAST UPDATED _____
ORIGINAL DATE 2/12/23
SHORT TITLE No Aviation Fuel with Lead Sales BILL NUMBER Senate Bill 238
ANALYST Simon

REVENUE* (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|---------------------------|------|------|------------------------------|------------------|
| FY28 | FY29 | FY30 | | |
| Indeterminate but minimal | | | Recurring | NMDOT Funds |

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 75

Sources of Information

LFC Files

Responses Received From

Department of Transportation (NMDOT)

No Response Received

Department of the Environment (NMED)

SUMMARY

Synopsis of Senate Bill 238

Senate Bill 238 would ban the sale of aviation fuel containing lead, beginning January 1, 2028.

FISCAL IMPLICATIONS

NMDOT reports the agency would realize a small but unpredictable decline in revenue from taxes on aviation fuel.

SIGNIFICANT ISSUES

Piston-engine aircraft that burn 100 octane low lead gasoline are responsible for a large portion of the continuing emission of lead into the air. As a result, the Federal Aviation Administration (FAA) has begun to plan for a transition to lead-free fuels by the end of 2030. However, at this

point, most piston-engine aircraft are only certified by the FAA to use gasoline with lead added, creating an obstacle to wider availability of unleaded aviation fuel.

NMDOT reports the initiative is “a government-industry partnership that also encompasses fuel producers and distributors, airport operators, communities that support general aviation airports, and environmental experts. This initiative will develop fuel infrastructure and access viability, support research, development and innovation, evaluate and authorize safe fuels for piston engines and establish necessary policies.”

NMDOT notes this bill would establish a more aggressive goal than the federal government for the elimination of lead from aviation fuel. The department states many piston-engine aircraft operators will not be able to fuel their aircraft in New Mexico and some smaller airport operations may close if they are not able to obtain unleaded aviation fuels.

ALTERNATIVES

NMDOT states the following:

Federal Aviation Administration research and development into lead free aviation fuel is expected to be completed by the end of 2030. At that time, only two years beyond the date specified in this bill, the FAA is expected to provide guidance and possibly regulations for airports and aircraft operators regarding the adoption of unleaded aviation gasoline as the predominate type of fuel for piston-powered aircraft. It may be advantageous to wait until this coordinated effort across all states proceeds.

JWS/al/ne