

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**HOUSE BILL 1336
RATIFIED BILL**

AN ACT TO PROHIBIT THE USE OF METHYL TERTIARY BUTYL ETHER (MTBE) IN MOTOR FUELS, TO DIRECT THE SECRETARY OF ENVIRONMENT AND NATURAL RESOURCES AND THE COMMISSIONER OF AGRICULTURE TO STUDY THE FEASIBILITY AND ADVANTAGES OF A COORDINATED APPROACH TO THE PHASEOUT OF MTBE IN THE SOUTHEAST REGION OF THE UNITED STATES, AND TO DIRECT THE SECRETARY AND THE COMMISSIONER TO WORK COOPERATIVELY WITH SOUTHEASTERN STATES TO DEVELOP AND IMPLEMENT A REGIONAL APPROACH.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 119 of the General Statutes is amended by adding a new section to read:

"§ 119-26.3. MTBE in motor fuels prohibited.

(a) Definitions. – As used in this section:

(1) 'MTBE' means the fuel additive methyl tertiary butyl ether.

(2) 'Motor fuel' has the same meaning as in G.S. 105-449.60.

(b) Prohibition; De Minimis Exception. – No person shall knowingly add MTBE to any motor fuel manufactured, distributed, stored, sold, or offered for sale in this State. No person shall manufacture, distribute, store, sell, or offer for sale motor fuel that contains a concentration of MTBE of more than one-half of one percent (0.5%) by volume in this State. The presence of MTBE in a motor fuel caused solely by incidental commingling of the motor fuel with other motor fuel that contains MTBE during transfer or storage of the motor fuel does not constitute a violation of this section.

(c) Transportation Through State Not Prohibited. – This section shall not be construed to prohibit the transport of motor fuel containing MTBE through this State.

(d) Rules. – The Gasoline and Oil Inspection Board shall adopt rules to implement this section."

SECTION 2. The Secretary of Environment and Natural Resources and the Commissioner of Agriculture shall jointly study the feasibility and advantages of a coordinated regional approach for the phaseout of methyl tertiary butyl ether (MTBE) as an additive to motor fuel in the southeast region of the United States. The study shall consider the potential impacts on fuel supply and availability and the potential benefits and costs associated with the use of MTBE. In the course of the study, the Secretary and the Commissioner shall consult with the following:

- (1) Other southeastern states, including Alabama, Georgia, Kentucky, Mississippi, South Carolina, Tennessee, and Virginia.
- (2) Refiners, suppliers, distributors, transporters, and retailers of motor fuel and liquid fuel pipeline operators.
- (3) Consumer, environmental, and other public interest groups.
- (4) The United States Environmental Protection Agency and other relevant governmental agencies.

SECTION 3. The Secretary of Environment and Natural Resources and the Commissioner of Agriculture shall work cooperatively with other southeastern states to develop and implement a coordinated approach to the phaseout of methyl tertiary butyl

ether (MTBE) as an additive to motor fuel in the southeast region consistent with G.S. 119-26.3, as enacted by Section 1 of this act.

SECTION 4. The Secretary of Environment and Natural Resources and the Commissioner of Agriculture shall jointly report on the results of the study required by Section 2 of this act and on progress in developing a coordinated regional approach to the phaseout of methyl tertiary butyl ether (MTBE) as an additive to motor fuel pursuant to Section 3 of this act to the Environmental Review Commission. The Secretary and Commissioner shall submit an interim report on or before 1 March 2006 and a final report, including any findings and recommendations, on or before 1 March 2007.

SECTION 5. Section 1 of this act becomes effective 1 January 2008. Sections 2 through 5 of this act are effective when this act becomes law.

In the General Assembly read three times and ratified this the 16th day of June, 2005.

Marc Basnight
President Pro Tempore of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____ .m. this _____ day of _____, 2005