

**CONCURRENT RESOLUTION ENCOURAGING UTAH
REFINERS TO MANUFACTURE TIER 3 GASOLINE TO
IMPROVE AIR QUALITY**

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Patrice M. Arent

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This concurrent resolution of the Legislature and the Governor urges refineries operating within Utah to utilize the state sales and use tax exemption provided by the state to make the investments necessary to manufacture lower-sulfur Tier 3 gasoline in Utah.

Highlighted Provisions:

This resolution:

- ▶ recognizes how vehicle emissions impact Utah's air quality;
- ▶ recognizes that the lower-sulfur gasoline in the Environmental Protection Agency's Tier 3 Gasoline Standards are crucial to improving Utah's air quality; and
- ▶ recognizes that three out of the five Utah refineries have committed to

manufacturing Tier 3 compliant lower-sulfur gasoline for sale in Utah.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, the Legislature of the state of Utah is charged with protecting and enhancing the safety, health, and welfare of its citizens;



28 WHEREAS, the safety, health, and welfare of many of the citizens of the state of Utah
29 are profoundly affected by its air quality;

30 WHEREAS, communities along the Wasatch Front and other areas in the state of Utah
31 experience episodic and sustained periods of time where air pollutants are elevated to levels
32 that are known to cause serious short and long-term health problems in humans;

33 WHEREAS, there are indications that air quality may impact the ability to recruit and
34 retain businesses and a high quality labor force, as well as the cost of negative health impacts
35 and the loss of tourism and recreational revenue, air quality significantly impacts the economy
36 of the state of Utah;

37 WHEREAS, vehicle emissions are the largest contributing source of total emissions
38 and contribute significantly to the buildup of air pollutants during wintertime inversions;

39 WHEREAS, there have been measurable improvements in air quality because of
40 sustained efforts made by individuals and industry throughout the state;

41 WHEREAS, the United States Environmental Protection Agency has adopted national
42 standards for improved vehicle emissions and gasoline, called Tier 3 standards, bringing down
43 the sulfur content of gasoline from 30 parts per million to 10 parts per million;

44 WHEREAS, burning lower-sulfur Tier 3 gasoline in vehicles greatly improves the
45 effectiveness of a vehicle's catalytic converter;

46 WHEREAS, burning lower-sulfur Tier 3 gasoline will significantly reduce vehicle
47 emissions of nitrogen oxides (NOx) and volatile organic compounds (VOC) -- pollutants that
48 are significant contributors to poor air quality in the state of Utah;

49 WHEREAS, combining Tier 3 lower-sulfur gasoline standards with Tier 3 emissions
50 standards for new vehicles will reduce VOC and NOx emissions per vehicle-mile traveled by
51 as much as 80% compared to previous Tier 2 standards, and result in significant reductions in
52 ozone and secondary PM 2.5 -- pollutants of great concern in the state of Utah;

53 WHEREAS, use of lower-sulfur Tier 3 gasoline in Utah's current pre-Tier 3 vehicle
54 fleet will result in immediate tailpipe emissions reductions of approximately 9.5% in NOx and
55 3.7% in VOC;

56 WHEREAS, current federal provisions allow certain refineries to meet the standard by
57 utilizing national averaging, trading, and banking, which applies to the five refineries located in
58 Utah;

59 WHEREAS, in 2017, the Legislature of the state of Utah passed a state sales and use
60 tax exemption to encourage and entice local refineries to manufacture and sell lower-sulfur
61 gasoline in the state, rather than utilizing averaging, trading, and banking to meet the standard;

62 WHEREAS, a refiner that seeks to be eligible for a sales and use tax exemption under
63 Utah Code, Subsection 59-12-104(86), beginning on July 1, 2021, shall annually report to the
64 Office of Energy Development whether the refiner's facility that is located within the state will
65 have an average gasoline sulfur level of 10 parts per million or less, using formulas prescribed
66 in 40 C.F.R. Sec. 80.1603, excluding the offset for credit use and transfer as prescribed in 40
67 C.F.R. Sec. 80.1616; and

68 WHEREAS, three of Utah's local refineries, including Marathon Petroleum, Chevron,
69 and Silver Eagle, have committed to manufacturing gasoline for sale with an average sulfur
70 level of 10 parts per million or less by the end of 2019:

71 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
72 Governor concurring therein, urges refiners operating a refinery within Utah to use the tax
73 incentives provided by the state to make the investments necessary to manufacture lower-sulfur
74 Tier 3 gasoline at its Utah refinery.

75 BE IT FURTHER RESOLVED that the Legislature and the Governor urge local
76 refiners to manufacture and sell gasoline with an average sulfur content of 10 parts per million
77 or less, rather than using national averaging, trading, and banking provisions to meet the
78 standard.