TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 7906, entitled:

"AN ACT to amend the environmental conservation law, in relation to bioheating fuel requirements"

NOT APPROVED

This bill would require that all heating oil sold for use in any building in New York State contain two percent biodiesel. The requirement would take effect in New York City and Nassau, Rockland, Suffolk, and Westchester counties on October 1, 2014, and in the remainder of the State on July 1, 2015.

I support the sponsors' goal of promoting a locally produced renewable fuel which would result in less air pollution and create new markets for agricultural products. There is an existing Clean Heating Fuel Credit, however, which provides a credit of \$0.01 for every percent of biodiesel per gallon of heating oil purchased by taxpayers, not to exceed twenty cents per gallon. This bill does not take into account how the existing tax credit would be impacted by a new mandate requiring all consumers purchase at least 2% biodiesel. Therefore, it could have a significant state fiscal impact because all consumers of heating oil would be able to claim a \$0.02 credit for each gallon of heating oil purchased. This bill should be considered not in isolation but in the broader context and framework of the upcoming 2014-15 SFY budget discussions. For these reasons, I am compelled to veto this bill.

The bill is disapproved.

(signed) ANDREW M. CUOMO