

# **Renewable Fuel Infrastructure Program Bill House File 2687**

Last Action:  
Final Action  
April 18, 2024

**An Act relating to ethanol blended gasoline, by providing for gasoline storage and dispensing infrastructure and a financing program, and including effective date provisions.**

**Fiscal Services Division  
Legislative Services Agency**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**SIGNIFICANT CODE CHANGES**

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Requires ethanol infrastructure in the State to have the capacity to store and dispense E-85 gasoline. If the infrastructure is not used to store or dispense E-85 gasoline, it must have the capacity to store and dispense E-15 or higher gasoline until January 1, 2026. If the ethanol infrastructure is not used to store and dispense E-85 gasoline, it must have the capacity to store and dispense E-40 or higher gasoline beginning January 1, 2024 until July 1, 2030.

Page 1, Line 1

Adds definitions of "dispenser breakaway," "E-85 gasoline," and "shear valve" to the Iowa Code.

Page 1, Line 27

Allows retail dealers to install, replace, or convert any part of the gasoline infrastructure beginning at a point where the shear valve ends and continuing until the point where the dispenser breakaway ends that is incompatible with E-85 gasoline. The infrastructure must be compatible with E-15 or higher gasoline by January 1, 2026, at which time it must be compatible with E-40 or higher gasoline by January 1, 2030.

Page 2, Line 17

Transfers the required approval of ethanol blended gasoline infrastructure from the State Fire Marshal to the Department of Inspections, Appeals, and Licensing.

Page 3, Line 16

Specifies that the Bill does not require the Renewable Fuel Infrastructure Board to reconsider or reapprove a decision made prior to the effective date of the Bill for an award of financial incentives made under the Renewable Fuel Infrastructure Program for retail motor fuel sites.

Page 3, Line 35

**EFFECTIVE DATE**

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Specifies that the Bill takes effect upon enactment.

Page 4, Line 7

House File 2687 provides for the following changes to the Code of Iowa.

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
1	1	1	Strike and Replace	159A.14.1.a.(1)
1	27	2	Add	455G.30.4A,4B,8
2	8	3	Amend	455G.31.2
2	17	4	Amend	455G.32
3	25	5	Amend	455G.33.2.b

1 1 Section 1. Section 159A.14, subsection 1, paragraph  
 1 2 a, subparagraph (1), Code 2024, is amended by striking the  
 1 3 subparagraph and inserting in lieu thereof the following:  
 1 4 (1) (a) Except as provided in this subparagraph, the  
 1 5 ethanol infrastructure shall have the capacity to store and  
 1 6 dispense E-85 gasoline.  
 1 7 (b) (i) If the ethanol infrastructure is not used to store  
 1 8 and dispense E-85 gasoline, it must have the capacity to store  
 1 9 and dispense ethanol blended gasoline classified as E-15 or  
 1 10 higher.  
 1 11 (ii) This subparagraph division is repealed January 1,  
 1 12 2026.  
 1 13 (c) (i) If the ethanol infrastructure is not used to store  
 1 14 and dispense E-85 gasoline, it must have the capacity to store  
 1 15 and dispense ethanol blended gasoline classified as E-40 or  
 1 16 higher.  
 1 17 (ii) This subparagraph division shall be implemented  
 1 18 beginning January 1, 2026.  
 1 19 (iii) This subparagraph division is repealed July 1, 2030.

1 20 (d) The ethanol infrastructure may store, blend, and  
 1 21 dispense ethanol or ethanol blended gasoline from a motor  
 1 22 fuel blender pump. The ethanol infrastructure must at least  
 1 23 include a motor fuel blender pump that dispenses different  
 1 24 classifications of ethanol blended gasoline, if it allows E-85  
 1 25 gasoline to be dispensed at all times that the blender pump is  
 1 26 operating.

1 27 Sec. 2. Section 455G.30, Code 2024, is amended by adding the  
 1 28 following new subsections:  
 1 29 NEW SUBSECTION 4A. "Dispenser breakaway" means the part  
 1 30 of gasoline storage and dispensing infrastructure that acts to  
 1 31 immediately stop the flow of motor fuel from its storage system  
 1 32 to its dispenser in the event that its dispensing hose or  
 1 33 associated hanging infrastructure becomes detached, including  
 1 34 when a vehicle pulls away from the dispenser while its nozzle  
 1 35 is attached to the vehicle.  
 2 1 NEW SUBSECTION 4B. "E-85 gasoline" means the same as  
 2 2 defined in section 214A.1.  
 2 3 NEW SUBSECTION 8. "Shear valve" means the part of gasoline

CODE: Requires ethanol infrastructure in the State to have the capacity to store and dispense E-85 gasoline. If the infrastructure is not used to store or dispense E-85 gasoline, it must have the capacity to store and dispense E-15 or higher gasoline until January 1, 2026. If the ethanol infrastructure is not used to store and dispense E-85 gasoline, it must have the capacity to store and dispense E-40 or higher gasoline beginning January 1, 2024 until July 1, 2030.

Permits ethanol infrastructure to store, blend, and dispense ethanol and ethanol blended gasoline from a motor fuel blender pump. If the blender pump dispenses E-85 gasoline, the ethanol infrastructure must also include a motor fuel blender pump that dispenses different classifications of ethanol blended gasoline.

CODE: Adds definitions of "dispenser breakaway," "E-85 gasoline," and "shear valve" to the Iowa Code.

2 4 storage and dispensing infrastructure that acts to immediately  
 2 5 stop the flow of motor fuel from its storage system to its  
 2 6 dispenser in the event of an emergency hazard, including but  
 2 7 not limited to a vehicle impacting the dispenser or a fire.

2 8 Sec. 3. Section 455G.31, subsection 2, Code 2024, is amended  
 2 9 to read as follows:

2 10 2. Subject to section 455G.32, a retail dealer may use  
 2 11 gasoline storage and dispensing infrastructure to store and  
 2 12 dispense ethanol blended gasoline classified as E-9 or higher  
 2 13 if the department ~~under this subchapter,~~ or the director of the  
 2 14 department of inspections, appeals, and licensing under chapter  
 2 15 101, determines that the gasoline infrastructure is compatible  
 2 16 with the classification of ethanol blended gasoline being used.

CODE: Makes a technical correction

2 17 Sec. 4. Section 455G.32, Code 2024, is amended to read as  
 2 18 follows:

2 19 ~~455G.32 E-85 GASOLINE~~ ETHANOL BLENDED GASOLINE — COMPATIBLE  
 2 20 INFRASTRUCTURE — COMPLIANCE REQUIREMENT.

2 21 1. A retail dealer shall not install, replace, or convert  
 2 22 gasoline storage and dispensing infrastructure used to store  
 2 23 and dispense ethanol blended gasoline classified as E-15 or  
 2 24 higher, unless the installed, replaced, or converted gasoline  
 2 25 infrastructure, that includes all parts prior to the point  
 2 26 where the dispenser breakaway ends, is capable of storing  
 2 27 and dispensing ~~ethanol blended gasoline classified as E-85~~  
 2 28 gasoline.

CODE: Allows a retail dealer to install, replace, or convert any part of the gasoline infrastructure beginning at a point where the shear valve ends and continuing until the point where the dispenser breakaway ends that is incompatible with E-85 gasoline. However, that part of the gasoline infrastructure must be compatible with E-15 gasoline, compatible with E-40 gasoline starting January 1, 2026, and compatible with E-85 gasoline starting July 1, 2030.

2 29 2. a. Notwithstanding subsection 1, a retail dealer  
 2 30 may install, replace, or convert any part of the gasoline  
 2 31 infrastructure beginning at a point where the shear valve ends  
 2 32 and continuing until the point where the dispenser breakaway  
 2 33 ends that is incompatible with E-85 gasoline. However, that  
 2 34 part of the gasoline infrastructure must be compatible with the  
 2 35 following:

3 1 (1) (a) Ethanol blended gasoline classified as E-15 or  
 3 2 higher.

3 3 (b) This subparagraph is repealed January 1, 2026.

3 4 (2) (a) Ethanol blended gasoline classified as E-40 or  
 3 5 higher.

3 6 (b) This subparagraph shall be implemented beginning  
 3 7 January 1, 2026.

3 8 b. This subsection is repealed July 1, 2030.

3 9 ~~2.~~ 3. The gasoline infrastructure must be all of the  
 3 10 following:

3 11 a. Listed as compatible for use with ethanol blended  
 3 12 gasoline classified for that part of the gasoline  
 3 13 infrastructure as E-85 provided in subsection 1 by an  
 3 14 independent testing laboratory or as approved by the  
 3 15 manufacturer.

3 16 b. Approved by the department or ~~state fire marshal~~ the  
 3 17 director of the department of inspections, appeals, and  
 3 18 licensing subject to conditions determined necessary by the  
 3 19 department or ~~state fire marshal~~ the director of the department  
 3 20 of inspections, appeals, and licensing. The department  
 3 21 or ~~state fire marshal~~ the director of the department of  
 3 22 inspections, appeals, and licensing may waive the requirement  
 3 23 in paragraph “a” upon satisfaction that a substitute  
 3 24 requirement serves the same purpose.

CODE: Transfers the required approval of ethanol blended gasoline infrastructure from the State Fire Marshal to the Department of Inspections, Appeals, and Licensing.

3 25 Sec. 5. Section 455G.33, subsection 2, paragraph b, Code  
 3 26 2024, is amended to read as follows:

3 27 b. Approved by the department, or director of the department  
 3 28 of inspections, appeals, and licensing under chapter 101,  
 3 29 subject to conditions determined necessary by the department  
 3 30 or director of the department of inspections, appeals, and  
 3 31 licensing. The department or director of the department of  
 3 32 inspections, appeals, and licensing may waive the requirement  
 3 33 in paragraph “a” upon satisfaction that a substitute  
 3 34 requirement serves the same purpose.

CODE: Adopts conforming changes to Iowa Code section [455G.33](#).

3 35 Sec. 6. APPLICATIONS FOR FINANCIAL INCENTIVES. This  
 4 1 Act does not require the renewable fuel infrastructure board  
 4 2 established in section 159A.13 to reconsider or reapprove a  
 4 3 decision made prior to the effective date of this Act for  
 4 4 an award of financial incentives under the renewable fuel  
 4 5 infrastructure program for retail motor fuel sites established  
 4 6 in section 159A.14.

Specifies that the Bill does not require the Renewable Fuel Infrastructure Board to reconsider or reapprove a decision made prior to the effective date of the Bill for an award of financial incentives made under the Renewable Fuel Infrastructure Program for retail motor fuel sites.

4 7 Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate  
 4 8 importance, takes effect upon enactment.

Specifies that the Bill takes effect upon enactment.