

Bartz
McKibben
Harper

SSB-3226
Ways & Means

Succeeded By
SF/HF 2448

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON JOHNSON)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a healthy environmental and value-added
2 energy initiative, providing for revenues, the expenditure of
3 moneys, and providing for penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. HEAVEN INITIATIVE. This Act shall be known and
2 may be cited as the "Healthy Environmental and Value-Added
3 ENERGY Initiative."

4 1. The general assembly finds and declares all of the
5 following:

6 a. A significant amount of this state's air pollution is
7 caused by vehicles emitting a variety of petroleum-based
8 pollutants, including benzene and other aromatics, nitrous
9 oxides, particulate matter in the forms of smoke and soot,
10 carbon monoxide, and carbon dioxide.

11 b. The state must capture the greatest benefit from
12 opportunities created by industries manufacturing high value-
13 added products derived from abundant resources of this state,
14 which may be used to transform alternative motor vehicle fuels
15 into conventional motor vehicle fuels.

16 2. The purpose of this Act is to protect the public
17 health, preserve this state's natural environment, and
18 encourage the manufacture of compatible value-added products.

19 Sec. 2. Section 15.333, subsection 1, Code Supplement
20 1999, is amended to read as follows:

21 1. An eligible business may claim a corporate tax credit
22 up to a maximum of ten percent of the new investment which is
23 directly related to new jobs created by the location or
24 expansion of an eligible business under the program. Any
25 credit in excess of the tax liability for the tax year may be
26 credited to the tax liability for the following seven years or
27 until depleted, whichever occurs earlier. Subject to prior
28 approval by the department of economic development in
29 consultation with the department of revenue and finance, an
30 eligible business whose project primarily involves the
31 production of value-added agricultural products may elect to
32 transfer all or a portion of an unused tax credit to any other
33 person. A tax credit shall only be transferred once and the
34 transferee shall not make a subsequent transfer of the tax
35 credit. The transferee may use the amount of the tax credit

1 transferred against a tax liability imposed under chapter 422,
2 division II, III, or V for any tax year the original
3 transferor could have claimed the credit. If the business is
4 a partnership, subchapter S corporation, limited liability
5 company, or estate or trust electing to have the income taxed
6 directly to the individual, an individual may claim the tax
7 credit allowed. The amount claimed by the individual shall be
8 based upon the pro rata share of the individual's earnings of
9 the partnership, subchapter S corporation, limited liability
10 company, or estate or trust. For purposes of this section,
11 "new investment directly related to new jobs created by the
12 location or expansion of an eligible business under the
13 program" means the cost of machinery and equipment, as defined
14 in section 427A.1, subsection 1, paragraphs "e" and "j",
15 purchased for use in the operation of the eligible business,
16 the purchase price of which has been depreciated in accordance
17 with generally accepted accounting principles, and the cost of
18 improvements made to real property which is used in the
19 operation of the eligible business and which receives a
20 partial property tax exemption for the actual value added
21 under section 15.332.

22 1A. Any consideration received for a transfer of a tax
23 credit pursuant to subsection 1 shall not be included as
24 income under chapter 422, division II, III, or V. Any
25 consideration paid for a transfer of a tax credit pursuant to
26 subsection 1 shall not be deducted from income under chapter
27 422, division II, III, or V. The amount of the new investment
28 directly related to new jobs created by the location or
29 expansion of an eligible business under the program which
30 equals the tax credit claimed shall not be deducted by the
31 transferor from income under chapter 422, division II, III, or
32 V.

33 1B. An eligible business whose project primarily involves
34 the production of value-added agricultural products shall
apply to the department of economic development for tax credit

1 certificates. An eligible business whose project primarily
2 involves the production of value-added agricultural products
3 shall not claim a tax credit under this section unless a tax
4 credit certificate issued by the department of economic
5 development is attached to the taxpayer's tax return for the
6 tax year during which the tax credit is claimed. A tax credit
7 certificate shall not be valid until the tax year following
8 the date of the project completion. A tax credit certificate
9 shall contain the taxpayer's name, address, tax identification
10 number, the date of project completion, the amount of the tax
11 credit, other information required by the department of
12 revenue and finance, and a place for the name and tax
13 identification number of a transferee and the amount of the
14 tax credit being transferred. The department of economic
15 development shall not issue tax credit certificates which
16 total more than two million dollars during a fiscal year.

17 Sec. 3. Section 214A.1, Code 1999, is amended by adding
18 the following new subsections:

19 NEW SUBSECTION. 1A. "Conventional gasoline" means
20 gasoline other than renewable reformulated gasoline.

21 NEW SUBSECTION. 2A. "Motor vehicle fuel pump" or "pump"
22 means the same as defined in section 214.1.

23 NEW SUBSECTION. 2B. "Motor vehicle fuel storage tank" or
24 "tank" means an aboveground or belowground container that is a
25 fixture, used to keep an accumulation of motor vehicle fuel,
26 and which is operated by a retailer dealer for dispensing
27 motor vehicle fuel to customers.

28 NEW SUBSECTION. 2C. "Motor vehicle fuel storage tank
29 equipment" means a motor vehicle fuel storage tank, motor
30 vehicle fuel storage tank piping, or a motor vehicle fuel
31 pump.

32 NEW SUBSECTION. 2D. "Motor vehicle fuel storage tank
33 piping" means any rigid or flexible piping used to transport
34 motor vehicle fuel from a motor vehicle fuel storage tank to a
35 motor vehicle fuel pump.

1 NEW SUBSECTION. 2E. "MTBE" means methyl tertiary butyl
2 ether.

3 NEW SUBSECTION. 3A. "Renewable reformulated gasoline"
4 means gasoline that contains an oxygenate octane enhancer
5 which is a renewable fuel.

6 NEW SUBSECTION. 3B. "Renewable fuel" means an energy
7 source which is derived from an organic compound capable of
8 powering machinery, including an engine or power plant.

9 NEW SUBSECTION. 4A. "Sell" means to sell or to offer for
10 sale.

11 NEW SUBSECTION. 4B. "Site" means the premises of a retail
12 dealer where a tank is used to serve a connecting motor
13 vehicle fuel pump.

14 NEW SUBSECTION. 4C. "Unblended gasoline" means gasoline
15 that is not blended gasoline.

16 Sec. 4. Section 214A.2, subsection 1, Code Supplement
17 1999, is amended to read as follows:

18 1. a. The secretary department shall adopt rules pursuant
19 to chapter 17A for carrying out this chapter. The rules may
20 shall include, but are not limited to, establishing
21 specifications relating to motor vehicle fuel or oxygenate
22 octane enhancers.

23 b. In the interest of uniformity, the secretary department
24 shall adopt rules, by reference or otherwise, to establish
25 specifications relating to tests and standards for motor
26 vehicle fuel or oxygenate octane enhancers~~7-established.~~ The
27 specifications shall be based on those established by the
28 American society for testing and materials (A.S.T.M.), unless
29 the secretary department determines that those specifications
30 are inconsistent with this chapter or are not appropriate to
31 the conditions which exist in this state.

32 c. The department shall not use Reid vapor pressure tests
33 more frequently to test conventional blended gasoline than
34 customarily required to test unblended gasoline.

35 Sec. 5. Section 214A.2, subsection 3, Code Supplement

1 1999, is amended by striking the subsection, and inserting the
2 following:

3 3. A person shall not sell gasoline containing ethanol in
4 this state by advertising that the gasoline is a renewable
5 reformulated gasoline, unless the gasoline contains at least
6 ten percent ethanol by volume.

7 Sec. 6. Section 214A.2, subsection 4, Code Supplement
8 1999, is amended to read as follows:

9 4. Gasoline Motor vehicle fuel shall not contain ~~methanol~~
10 ~~without-an-equal-amount-of-cosolvent,-and-shall-not-contain~~
11 ~~more-than-five-percent-methanol~~ more than trace amounts of
12 MTBE, as provided in section 214A.18.

13 Sec. 7. Section 214A.11, Code 1999, is amended to read as
14 follows:

15 214A.11 VIOLATIONS.

16 1. Any A person violating-the who violates provisions of
17 this chapter ~~shall-be~~ other than section 214A.16A is guilty of
18 a simple misdemeanor.

19 2. A retail dealer who violates section 214A.16A is
20 subject to a civil penalty of not more than one hundred
21 dollars. Each day that a violation continues constitutes a
22 separate offense.

23 a. The department shall issue an order assessing a civil
24 penalty against a retail dealer acting in violation of section
25 214A.16A. The order shall include the amount of the civil
26 penalty. The civil penalty shall be paid in accordance with
27 rules adopted by the department pursuant to chapter 17A and as
28 provided in the order, unless the person institutes a
29 contested case proceeding as provided in chapter 17A.

30 b. A retail dealer who fails to timely pay a civil penalty
31 assessed by a final order of the department shall pay, in
32 addition to the amount of the civil penalty, interest at the
33 rate of one and one-half percent of the unpaid balance of the
34 assessed civil penalty for each month or part of a month that
35 the penalty remains unpaid.

1 c. When a retail dealer against whom a civil penalty is
2 assessed under this section seeks timely judicial review, as
3 provided under chapter 17A, of an order imposing the civil
4 penalty, the order is not final for the purposes of this
5 section until all judicial review processes are completed.

6 d. The attorney general shall institute, at the request of
7 the department, legal proceedings in the county in which the
8 violation occurred in order to recover the civil penalty and
9 any accrued interest.

10 e. The civil penalty assessed by the department and
11 interest on the civil penalty shall be deposited in the
12 general fund of the state.

13 Sec. 8. Section 214A.16, Code 1999, is amended to read as
14 follows:

15 214A.16 NOTICE OF BLENDED FUEL -- DECAL.

16 ~~All If~~ motor vehicle fuel kept~~7-offered7-or-exposed-for~~
17 ~~sale7-or-sold-at-retail-containing-over-one-percent-ethanol7~~
18 ~~methanol7-or-any-combination-of-oxygenate-octane-enhancers~~
19 ~~shall-be-identified-as-"with"-either-"ethanol"7-"methanol"7~~
20 ~~"ethanol/methanol"7-or-similar-wording-on~~ containing a
21 renewable fuel is sold from a motor vehicle fuel pump, the
22 pump shall be affixed with a decal identifying the name of the
23 renewable fuel. ~~All-diesel-fuel-kept7-offered7-or-exposed-for~~
24 ~~sale7-or-sold-at-retail-containing-over-one-percent-soybean~~
25 ~~oil-by-volume-shall-be-identified-as-"with-soydiesel"-or~~
26 ~~similar-wording-on-a-decal.~~ The decal may be different based
27 on the type of renewable fuel used. The design and location
28 of the ~~decal~~ decal shall be prescribed by rules adopted by
29 the department. ~~The-department-shall-adopt-the-rules-to-be~~
30 ~~effective-by-January-17-1995.~~ A decal identifying a renewable
31 fuel shall be consistent with standards adopted pursuant to
32 section 159A.6. ~~Until-the-department-establishes-standards~~
33 ~~for-decals7-the-wording-shall-be-on-a-white-adhesive-decal~~
34 ~~with-black-letters-at-least-one-half-inch-high-and-at-least~~
35 ~~one-quarter-inch-wide-placed-between-thirty-and-forty-inches~~

~~1 above-the-driveway-level-on-the-front-sides-of-any-container~~
~~2 or-pump-from-which-the-motor-fuel-is-sold.~~ The department may
3 approve an application to place a decal in a special location
4 on a pump or container or use a decal with special lettering
5 or colors, if the decal appears clear and conspicuous to the
6 consumer. The application shall be made in writing pursuant
7 to procedures adopted by the department. Designs for a decal
8 identifying a renewable fuel shall be consistent with
9 standards adopted pursuant to section 159A.6.

10 Sec. 9. NEW SECTION. 214A.16A RENEWABLE REFORMULATED
11 GASOLINE -- AVAILABILITY REQUIRED.

12 1. Except as provided in this section, the following shall
13 apply:

14 a. A retail dealer, on or after January 1, 2001, shall not
15 sell gasoline at a site, unless the retail dealer also sells
16 renewable reformulated gasoline from at least one motor
17 vehicle fuel pump at that site.

18 b. A retail dealer, on or after July 1, 2001, shall not
19 sell conventional gasoline from a pump, unless the retail
20 dealer sells renewable reformulated gasoline from at least one
21 pump which the retail dealer sold the lowest grade of
22 conventional gasoline at any time on or before the effective
23 date of this Act. However, in no case shall the retail dealer
24 sell conventional gasoline with a lower octane level than the
25 retail dealer sells renewable reformulated gasoline from at
26 least one pump at the site.

27 2. a. This section does not apply to the extent that a
28 retail dealer cannot sell renewable reformulated gasoline at a
29 site because the motor vehicle fuel storage tank located on
30 the site is not compatible with storing renewable reformulated
31 gasoline. The department shall grant an exemption to a person
32 under this paragraph stating a motor vehicle fuel tank is not
33 compatible with storing renewable reformulated gasoline,
34 because the tank is not warranted by its manufacturer for
35 conventional blended gasoline. The exemption must be granted

1 in writing after the retail dealer submits all information and
2 affirmations as required by the department. An exemption
3 granted under this paragraph shall expire on July 1, 2002.

4 b. This section does not require a retail dealer to sell
5 renewable reformulated gasoline at a site if the site has only
6 one single motor vehicle fuel storage tank, the tank is
7 located above ground, and the tank has a capacity of one
8 thousand gallons or less.

9 c. This section does not require a retail dealer to cease
10 selling conventional gasoline during any period when the
11 retail dealer cannot sell conventional gasoline due to any of
12 the following:

13 (1) A wholesale dealer fails to supply the retail dealer
14 with renewable reformulated gasoline on a timely basis. This
15 subparagraph does not apply if the retail dealer and the
16 wholesale dealer are the same person.

17 (2) A temporary depletion of the retail dealer's renewable
18 reformulated gasoline inventory. This subparagraph does not
19 apply if the retail dealer stores conventional gasoline in the
20 depleted tank.

21 (3) A communication, including the issuance of an order or
22 letter, by a federal or state agency, including the United
23 States environmental protection agency, the department of
24 natural resources, or the department of agriculture and land
25 stewardship, requiring or requesting that the retail dealer
26 cease using a motor vehicle fuel storage tank storing
27 renewable reformulated gasoline or related motor vehicle fuel
28 storage tank equipment. This subparagraph does not apply once
29 the terms of the communication have expired.

30 (4) A motor vehicle fuel storage tank used to store
31 renewable reformulated gasoline or related motor vehicle fuel
32 storage tank equipment cannot function because of repair,
33 replacement, or maintenance. This subparagraph does not apply
34 after the tank or related equipment has been repaired,
35 replaced, or maintained or should have been repaired,

1 replaced, or maintained within a period customary for that
2 type of repair, replacement, or maintenance.

3 3. The department shall adopt pursuant to chapter 17A all
4 rules necessary in order to administer this section.

5 Sec. 10. NEW SECTION. 214A.18 MTBE PROHIBITION.

6 1. A person shall not do any of the following:

7 a. Sell motor vehicle fuel containing more than trace
8 amounts of MTBE in this state.

9 b. Store motor vehicle fuel containing more than trace
10 amounts of MTBE in a motor vehicle fuel storage tank located
11 in this state.

12 2. As used in this section, "trace amounts" means not more
13 than one-half of one percent by volume.

14 Sec. 11. Section 214A.19, subsection 1, unnumbered
15 paragraph 1, Code 1999, is amended to read as follows:

16 The department of natural resources, conditioned upon the
17 availability of funds, is authorized to award demonstration
18 grants to persons who purchase vehicles which operate on
19 alternative fuels, including but not limited to, high-blend
20 ethanol renewable reformulated gasoline which contains more
21 than thirteen percent ethanol, compressed natural gas,
22 electricity, solar energy, or hydrogen. A grant shall be for
23 the purpose of conducting research connected with the fuel or
24 the vehicle, and not for the purchase of the vehicle itself,
25 except that the money may be used for the purchase of the
26 vehicle if all of the following conditions are satisfied:

27 Sec. 12. Section 455G.9, subsection 1, Code Supplement
28 1999, is amended by adding the following new paragraph:

29 NEW PARAGRAPH. k. Up to one hundred percent of the costs
30 necessary to reimburse the owner or operator for costs
31 associated with converting a motor vehicle fuel storage tank
32 or storage tank piping used to store and dispense renewable
33 reformulated gasoline from a storage tank to a motor vehicle
34 fuel pump as required pursuant to chapter 214A, pursuant to
35 section 455G.23. However, the owner or operator shall not be

1 reimbursed more than ten thousand dollars for converting a
2 motor vehicle fuel storage tank or more than three thousand
3 dollars for converting storage tank piping.

4 Sec. 13. NEW SECTION. 455G.23 CONVERSION NECESSARY TO
5 STORE AND DISPENSE RENEWABLE REFORMULATED GASOLINE.

6 1. As used in this section:

7 a. "Conventional blended gasoline" means conventional
8 blended gasoline as defined in section 214A.1.

9 b. "Motor vehicle fuel storage tank" or "tank" means the
10 same as defined in section 214A.1.

11 c. "Motor vehicle fuel storage tank equipment" means a
12 motor vehicle fuel storage tank or motor vehicle fuel storage
13 tank piping.

14 d. "Motor vehicle fuel storage tank piping" means the same
15 as defined in section 214A.1.

16 e. "Site" means the same as defined in section 214A.1.

17 2. The board shall establish a program to reimburse the
18 owner or operator of a site for costs necessary to convert
19 motor vehicle fuel storage tank equipment for use in storing
20 or dispensing renewable reformulated gasoline as provided
21 pursuant to chapter 214A. The conversion may be in the form
22 of the replacement of or modifications in the motor vehicle
23 fuel storage tank equipment.

24 3. In order to be eligible for reimbursement, all of the
25 following must apply:

26 a. The motor vehicle fuel storage tank equipment is
27 located at a site.

28 b. The site must comply with federal and state standards
29 governing new or upgraded motor vehicle fuel storage tank
30 equipment.

31 4. The owner or operator shall apply to the board in a
32 manner and according to procedures required by the board. The
33 application shall contain all information required by the
34 board and shall at least include all of the following:

35 a. The name of the owner or operator and the address of

1 the site.

2 b. A detailed description of the motor vehicle fuel
3 storage tank equipment, including all of the following:

4 (1) The location of the motor vehicle fuel storage tank
5 equipment on the site.

6 (2) The date that the motor vehicle fuel storage tank
7 equipment was installed on the site.

8 (3) The model number of the motor vehicle fuel storage
9 tank equipment, if available.

10 (4) A statement that the conversion necessary to store
11 renewable reformulated gasoline in the storage tank or to
12 dispense renewable reformulated gasoline using motor vehicle
13 fuel storage tank piping has not begun or been completed since
14 the date of installation.

15 c. One of the following:

16 (1) A statement certified by the manufacturer of the motor
17 vehicle fuel storage tank equipment verifying that the motor
18 vehicle fuel storage tank equipment is not warranted for the
19 storage or dispensing of renewable reformulated gasoline.

20 (2) A letter signed by an agent or representative of two
21 property and casualty insurers of motor vehicle fuel storage
22 tank equipment recognized by the board. Each letter must
23 state that the motor vehicle fuel storage tank equipment is
24 not insurable for the storage or dispensing of renewable
25 reformulated gasoline under policies customarily issued by the
26 insurer covering motor vehicle fuel storage tank equipment.

27 5. A site classified as a no further action site pursuant
28 to a certificate issued by the department under section
29 455B.474 shall retain its classification following
30 modifications necessary to store and dispense renewable
31 reformulated gasoline, and the owner-operator shall not be
32 required to perform a new site assessment unless the site
33 causes a clear, present, and impending danger to the public
34 health or the environment.

35 6. The board shall not accept an application for

1 reimbursement of conversion costs as provided in this section
2 on or after July 1, 2002.

3 Sec. 14. RENEWABLE REFORMULATED GASOLINE PROMOTION STUDY
4 -- USE OF DECALS. There is appropriated from the general fund
5 of the state to the department of agriculture and land
6 stewardship for the fiscal year beginning July 1, 2000, and
7 ending June 30, 2001, the following amount, or so much thereof
8 as is necessary, to be used for the purposes designated:

9 For the purpose of conducting a study by the office of
10 renewable fuels and coproducts created pursuant to section
11 159A.3 in order to increase the demand for renewable
12 reformulated gasoline as defined in section 214A.2, as amended
13 by this Act, by placing test decals on motor vehicle fuel
14 pumps:

15 \$ 25,000

16 1. The office shall conduct the study in cooperation with
17 the renewable fuels and coproducts advisory committee. The
18 committee shall develop various test decals which the
19 department shall place on motor vehicle pumps which dispense
20 renewable reformulated gasoline in different regions
21 throughout the state. The decals shall use different designs,
22 colors, shapes, sizes, and wording. A test decal shall be
23 placed on the pump in lieu of the decal otherwise required to
24 be placed on the pump pursuant to section 214A.16. The decals
25 shall be designed to promote the advantages of using renewable
26 reformulated gasoline. The office shall provide for the
27 placement of different decals in regions throughout the state.

28 2. The office shall submit a report to the governor and
29 general assembly not later than March 1, 2001. The report
30 shall include a summary of the study, an image of the test
31 decals used, the results of the study, and any plan for
32 changing the decal currently used by the department as
33 required pursuant to section 214A.16.

34 Sec. 15. 1999 Iowa Acts, chapter 204, section 15,
35 subsection 4, paragraph a, is amended by striking the

1 paragraph.

2 Sec. 16. EFFECTIVE DATE AND APPLICABILITY. The amendment
3 to section 15.333, in this Act takes effect July 1, 2001, and
4 applies to tax years beginning on or after that date.

5 EXPLANATION

6 This bill provides for the establishment of a healthy
7 environmental and value-added energy initiative. The bill
8 includes a section describing the purposes of the bill,
9 including providing for protecting the public health,
10 preserving the state's natural environment, and encouraging
11 the manufacture of compatible value-added products.

12 The bill amends Code section 15.333, which provides for tax
13 credits for eligible businesses. The bill provides that if an
14 eligible business provides for the manufacturing of value-
15 added agricultural products, the business may elect to fully
16 transfer its investment tax credit to another person.

17 The bill amends Code chapter 214A which provides for the
18 regulation of motor vehicle fuel, including gasoline blended
19 with oxygenates such as methyl tertiary butyl ether (MTBE) or
20 ethanol. This bill creates a number of new definitions
21 including "renewable reformulated gasoline" which includes a
22 renewable fuel such as ethanol and conventional gasoline which
23 is gasoline other than renewable reformulated gasoline.

24 The bill provides that after January 1, 2001, a retail
25 dealer is prohibited from selling gasoline from a site, unless
26 the retail dealer also sells renewable reformulated gasoline
27 from at least one motor vehicle fuel pump at the site. The
28 bill provides that on or after July 1, 2001, a retail dealer
29 is prohibited from selling conventional gasoline from a pump,
30 unless the retail dealer sells renewable reformulated gasoline
31 from one pump which sold the lowest grade of conventional
32 gasoline prior to the effective date of the Act. The bill
33 prohibits a retail dealer from selling conventional gasoline
34 with a lower octane level than the retail dealer sells
35 renewable reformulated gasoline from at least one pump at the

1 site.

2 The bill excuses a retail dealer from complying with the
3 bill's requirements, if the retail dealer cannot sell
4 renewable reformulated gasoline due to a number of reasons,
5 including the failure of a wholesale dealer to supply the
6 gasoline; the temporary depletion of the retail dealer's
7 inventory; a communication by a federal or state agency
8 requiring or requesting that the retail dealer cease using a
9 tank storing renewable reformulated gasoline; or the repair,
10 replacement, or maintenance of a tank or related equipment.

11 In 1999, the general assembly enacted House File 772 (1999
12 Iowa Acts, chapter 204), which in part provides that on or
13 after February 1, 2000, a retail dealer of motor vehicle fuel
14 is prohibited from offering for sale in this state fuel that
15 contains more than 2 percent of methyl tertiary butyl ether
16 (MTBE) by volume. This bill eliminates the provision in the
17 Iowa Acts and codifies a provision which prohibits a person
18 from selling or storing motor vehicle fuel containing more
19 than one-half of 1 percent by volume.

20 The bill amends Code chapter 455G by requiring the Iowa
21 comprehensive petroleum underground storage tank fund board to
22 establish a program to reimburse the owner or operator of a
23 site for costs necessary to store and dispense renewable
24 reformulated gasoline. Moneys for reimbursement derive from
25 the remedial account of the Iowa comprehensive petroleum
26 underground storage tank fund.

27 Generally, a retail dealer who violates the provisions of
28 this bill is guilty of a simple misdemeanor. This bill
29 provides that a retail dealer who sells gasoline which is not
30 renewable reformulated gasoline is subject to a civil penalty
31 of not more than \$100.

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4/17/00 ~~SENATE FILE~~ *[Signature]*

FILED APR 5 '00

2448

SENATE FILE

BY COMMITTEE ON WAYS AND MEANS

4/17/00 *Returned to Governor*

(SUCCESSOR TO SSB 3226)

(P.1184)

Passed Senate, Date 4-17-00

Passed House, Date _____

Vote: Ayes 28 Nays 20

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a health enhancement and value-added energy
2 initiative, providing for revenues, the expenditure of moneys,
3 and providing for penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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8th Cir JS

1 Section 1. HEAVEN INITIATIVE. This Act shall be known and
2 may be cited as the "Health Enhancement and Value-Added ENERGY
3 Initiative."

4 1. The general assembly finds and declares all of the
5 following:

6 a. The waters of this state must be protected from methyl
7 tertiary butyl ether (MTBE), a gasoline additive which is a
8 possible carcinogen possessed of unique chemical properties
9 making it highly soluble and allowing it to migrate through
10 drinking water supplies.

11 b. The state must capture the greatest economic benefit
12 from opportunities created by industries manufacturing high
13 value-added products derived from abundant resources of this
14 state, which may be used to transform alternative motor
15 vehicle fuels into conventional motor vehicle fuels.

16 2. The purpose of this Act is to protect the public
17 health, protect the waters of this state, and strengthen the
18 state's economy by encouraging the manufacture of compatible
19 value-added products.

20 Sec. 2. Section 15.333, subsection 1, Code Supplement
21 1999, is amended to read as follows:

22 1. An eligible business may claim a corporate tax credit
23 up to a maximum of ten percent of the new investment which is
24 directly related to new jobs created by the location or
25 expansion of an eligible business under the program. Any
26 credit in excess of the tax liability for the tax year may be
27 credited to the tax liability for the following seven years or
28 until depleted, whichever occurs earlier. Subject to prior
29 approval by the department of economic development in
30 consultation with the department of revenue and finance, an
31 eligible business whose project primarily involves the
32 production of value-added agricultural products may elect to
33 transfer all or a portion of an unused tax credit to any other
34 person. A tax credit shall only be transferred once and the
35 transferee shall not make a subsequent transfer of the tax

1 credit. The transferee may use the amount of the tax credit
2 transferred against a tax liability imposed under chapter 422,
3 division II, III, or V for any tax year the original
4 transferor could have claimed the credit. If the business is
5 a partnership, subchapter S corporation, limited liability
6 company, or estate or trust electing to have the income taxed
7 directly to the individual, an individual may claim the tax
8 credit allowed. The amount claimed by the individual shall be
9 based upon the pro rata share of the individual's earnings of
10 the partnership, subchapter S corporation, limited liability
11 company, or estate or trust. For purposes of this section,
12 "new investment directly related to new jobs created by the
13 location or expansion of an eligible business under the
14 program" means the cost of machinery and equipment, as defined
15 in section 427A.1, subsection 1, paragraphs "e" and "j",
16 purchased for use in the operation of the eligible business,
17 the purchase price of which has been depreciated in accordance
18 with generally accepted accounting principles, and the cost of
19 improvements made to real property which is used in the
20 operation of the eligible business and which receives a
21 partial property tax exemption for the actual value added
22 under section 15.332.

23 1A. Any consideration received for a transfer of a tax
24 credit pursuant to subsection 1 shall not be included as
25 income under chapter 422, division II, III, or V. Any
26 consideration paid for a transfer of a tax credit pursuant to
27 subsection 1 shall not be deducted from income under chapter
28 422, division II, III, or V. The amount of the new investment
29 directly related to new jobs created by the location or
30 expansion of an eligible business under the program which
31 equals the tax credit claimed shall not be deducted by the
32 transferor from income under chapter 422, division II, III, or
33 V.

34 1B. An eligible business whose project primarily involves
35 the production of value-added agricultural products shall

1 apply to the department of economic development for tax credit
2 certificates. An eligible business whose project primarily
3 involves the production of value-added agricultural products
4 shall not claim a tax credit under this section unless a tax
5 credit certificate issued by the department of economic
6 development is attached to the taxpayer's tax return for the
7 tax year during which the tax credit is claimed. A tax credit
8 certificate shall not be valid until the tax year following
9 the date of the project completion. A tax credit certificate
10 shall contain the taxpayer's name, address, tax identification
11 number, the date of project completion, the amount of the tax
12 credit, other information required by the department of
13 revenue and finance, and a place for the name and tax
14 identification number of a transferee and the amount of the
15 tax credit being transferred. The department of economic
16 development shall not issue tax credit certificates which
17 total more than four million dollars during a fiscal year.

18 Sec. 3. Section 214A.1, Code 1999, is amended by adding
19 the following new subsections:

20 NEW SUBSECTION. 00. "Advertise" means the same as defined
21 in section 190C.1.

22 NEW SUBSECTION. 1A. "Conventional gasoline" means
23 gasoline other than renewable reformulated gasoline.

24 NEW SUBSECTION. 2A. "Motor vehicle fuel pump" or "pump"
25 means the same as defined in section 214.1.

26 NEW SUBSECTION. 2B. "Motor vehicle fuel storage tank" or
27 "tank" means an aboveground or belowground container that is a
28 fixture, used to keep an accumulation of motor vehicle fuel,
29 and which is operated by a retail dealer for dispensing motor
30 vehicle fuel to customers.

31 NEW SUBSECTION. 2C. "Motor vehicle fuel storage tank
32 equipment" means a motor vehicle fuel storage tank, motor
33 vehicle fuel storage tank piping, or a motor vehicle fuel
34 pump.

35 NEW SUBSECTION. 2D. "Motor vehicle fuel storage tank

1 piping" means any rigid or flexible piping used to transport
2 motor vehicle fuel from a motor vehicle fuel storage tank to a
3 motor vehicle fuel pump.

4 NEW SUBSECTION. 2E. "MTBE" means methyl tertiary butyl
5 ether.

6 NEW SUBSECTION. 3A. "Renewable fuel" means an energy
7 source which is derived from an agricultural commodity capable
8 of powering machinery, including an engine or power plant.

9 NEW SUBSECTION. 3B. "Renewable reformulated gasoline"
10 means gasoline that contains an oxygenate octane enhancer
11 which is a renewable fuel.

12 NEW SUBSECTION. 4A. "Sell" means to sell or to offer for
13 sale.

14 NEW SUBSECTION. 4B. "Site" means the premises of a retail
15 dealer where a tank is used to serve a connecting motor
16 vehicle fuel pump.

17 Sec. 4. Section 214A.2, subsection 1, Code Supplement
18 1999, is amended by adding the following new unnumbered
19 paragraph:

20 NEW UNNUMBERED PARAGRAPH. The department shall not use
21 Reid vapor pressure tests more frequently to test renewable
22 reformulated gasoline than customarily required to test
23 conventional gasoline.

24 Sec. 5. Section 214A.2, subsection 3, Code Supplement
25 1999, is amended by striking the subsection and inserting in
26 lieu thereof the following:

27 3. A person shall not sell gasoline containing ethanol in
28 this state by advertising that the gasoline is a renewable
29 reformulated gasoline, unless the gasoline contains at least
30 ten percent ethanol by volume.

31 Sec. 6. Section 214A.2, subsection 4, Code Supplement
32 1999, is amended to read as follows:

33 4. Gasoline Motor vehicle fuel shall not contain methanol
34 ~~without an equal amount of cosolvent, and shall not contain~~
35 ~~more than five percent methanol~~ more than trace amounts of

1 MTBE, as provided in section 214A.18.

2 Sec. 7. Section 214A.11, Code 1999, is amended to read as
3 follows:

4 214A.11 VIOLATIONS.

5 1. Any A person violating-the who violates provisions of
6 this chapter shall-be other than section 214A.16A is guilty of
7 a simple misdemeanor.

8 2. A retail dealer who violates section 214A.16A is
9 subject to a civil penalty of not more than one hundred
10 dollars. Each day that a violation continues constitutes a
11 separate offense.

12 a. The department shall issue an order assessing a civil
13 penalty against a retail dealer acting in violation of section
14 214A.16A. The order shall include the amount of the civil
15 penalty. The civil penalty shall be paid in accordance with
16 rules adopted by the department pursuant to chapter 17A and as
17 provided in the order, unless the person institutes a
18 contested case proceeding as provided in chapter 17A.

19 b. A retail dealer who fails to timely pay a civil penalty
20 assessed by a final order of the department shall pay, in
21 addition to the amount of the civil penalty, interest at the
22 rate of one and one-half percent of the unpaid balance of the
23 assessed civil penalty for each month or part of a month that
24 the penalty remains unpaid.

25 c. When a retail dealer against whom a civil penalty is
26 assessed under this section seeks timely judicial review, as
27 provided under chapter 17A, of an order imposing the civil
28 penalty, the order is not final for the purposes of this
29 section until all judicial review processes are completed.

30 d. The attorney general shall institute, at the request of
31 the department, legal proceedings in the county in which the
32 violation occurred in order to recover the civil penalty and
33 any accrued interest.

34 e. The civil penalty assessed by the department and
35 interest on the civil penalty shall be deposited in the

1 general fund of the state.

2 Sec. 8. Section 214A.16, Code 1999, is amended to read as
3 follows:

4 214A.16 NOTICE OF BLENDED FUEL -- DECAL.

5 All if motor vehicle fuel kept, offered, or exposed for
6 sale, or sold at retail containing over one percent ethanol,
7 methanol, or any combination of oxygenate octane enhancers
8 shall be identified as "with" either "ethanol", "methanol",
9 "ethanol/methanol", or similar wording on containing a
10 renewable fuel is sold from a motor vehicle fuel pump, the
11 pump shall have affixed a decal identifying the name of the
12 renewable fuel. All diesel fuel kept, offered, or exposed for
13 sale, or sold at retail containing over one percent soybean
14 oil by volume shall be identified as "with soydiesel" or
15 similar wording on a decal. The decal may be different based
16 on the type of renewable fuel used. The design and location
17 of the decals decal shall be prescribed by rules adopted by
18 the department. The department shall adopt the rules to be
19 effective by January 1, 1995. A decal identifying a renewable
20 fuel shall be consistent with standards adopted pursuant to
21 section 159A.6. Until the department establishes standards
22 for decals, the wording shall be on a white adhesive decal
23 with black letters at least one-half inch high and at least
24 one-quarter inch wide placed between thirty and forty inches
25 above the driveway level on the front sides of any container
26 or pump from which the motor fuel is sold. The department may
27 approve an application to place a decal in a special location
28 on a pump or container or use a decal with special lettering
29 or colors, if the decal appears clear and conspicuous to the
30 consumer. The application shall be made in writing pursuant
31 to procedures adopted by the department. Designs for a decal
32 identifying a renewable fuel shall be consistent with
33 standards adopted pursuant to section 159A.6.

34 Sec. 9. NEW SECTION. 214A.16A RENEWABLE REFORMULATED
35 GASOLINE -- AVAILABILITY REQUIRED.

1 1. Except as provided in this section, the following shall
2 apply:

3 a. A retail dealer, on or after January 1, 2001, shall not
4 sell conventional gasoline from a motor vehicle fuel pump,
5 unless the retail dealer also sells renewable reformulated
6 gasoline from at least one pump at the same site.

7 b. A retail dealer, on or after January 1, 2002, shall not
8 sell conventional gasoline from a motor vehicle fuel pump,
9 unless the retail dealer also sells from at least one pump
10 renewable reformulated gasoline which has an octane level that
11 equals the lowest octane level of conventional gasoline sold
12 at the same site on January 1, 2001. However, at no time
13 shall the retail dealer sell conventional gasoline with a
14 lower octane level than the retail dealer sells renewable
15 reformulated gasoline from at least one pump at the site.

16 2. a. This section does not apply to the extent that a
17 retail dealer cannot sell renewable reformulated gasoline at a
18 site because the motor vehicle fuel storage tank located on
19 the site is not compatible with storing renewable reformulated
20 gasoline. The department shall grant an exemption to a person
21 under this paragraph stating a motor vehicle fuel tank is not
22 compatible with storing renewable reformulated gasoline,
23 because the tank is not warranted by its manufacturer for
24 renewable reformulated gasoline. The exemption must be
25 granted in writing after the retail dealer submits all
26 information and affirmations as required by the department.
27 An exemption granted under this paragraph shall expire on July
28 1, 2002.

29 b. This section does not require a retail dealer to sell
30 renewable reformulated gasoline at a site if the site has only
31 one motor vehicle fuel storage tank.

32 c. This section does not require a retail dealer to cease
33 selling conventional gasoline during any period when the
34 retail dealer cannot sell renewable reformulated gasoline due
35 to any of the following:

1 (1) A temporary depletion of the retail dealer's renewable
2 reformulated gasoline inventory. This subparagraph does not
3 apply if the retail dealer stores conventional gasoline in the
4 depleted tank.

5 (2) A communication, including the issuance of an order or
6 letter, by a federal or state agency, including the United
7 States environmental protection agency, the department of
8 natural resources, or the department of agriculture and land
9 stewardship, requiring or requesting that the retail dealer
10 cease using a motor vehicle fuel storage tank storing
11 renewable reformulated gasoline or related motor vehicle fuel
12 storage tank equipment. This subparagraph does not apply once
13 the terms of the communication have expired.

14 (3) A motor vehicle fuel storage tank used to store
15 renewable reformulated gasoline or related motor vehicle fuel
16 storage tank equipment cannot function because of repair,
17 replacement, or maintenance. This subparagraph does not apply
18 after the tank or related equipment has been repaired,
19 replaced, or maintained or should have been repaired,
20 replaced, or maintained within a period customary for that
21 type of repair, replacement, or maintenance.

22 3. The department shall adopt pursuant to chapter 17A all
23 rules necessary in order to administer this section.

24 Sec. 10. NEW SECTION. 214A.18 MTBE PROHIBITION.

25 1. A person shall not do any of the following:

26 a. Sell motor vehicle fuel containing more than trace
27 amounts of MTBE in this state.

28 b. Store motor vehicle fuel containing more than trace
29 amounts of MTBE in a motor vehicle fuel storage tank located
30 in this state.

31 2. As used in this section, "trace amounts" means not more
32 than one-half of one percent by volume.

33 Sec. 11. Section 214A.19, subsection 1, unnumbered
34 paragraph 1, Code 1999, is amended to read as follows:

35 The department of natural resources, conditioned upon the

1 availability of funds, is authorized to award demonstration
2 grants to persons who purchase vehicles which operate on
3 alternative fuels, including but not limited to, high-blend
4 ethanol renewable reformulated gasoline which contains more
5 than thirteen percent ethanol, compressed natural gas,
6 electricity, solar energy, or hydrogen. A grant shall be for
7 the purpose of conducting research connected with the fuel or
8 the vehicle, and not for the purchase of the vehicle itself,
9 except that the money may be used for the purchase of the
10 vehicle if all of the following conditions are satisfied:

11 Sec. 12. Section 455G.9, subsection 1, Code Supplement
12 1999, is amended by adding the following new paragraph:

13 NEW PARAGRAPH. k. Up to one hundred percent of the costs
14 necessary to reimburse the owner or operator for costs
15 associated with converting a motor vehicle fuel storage tank
16 or storage tank piping used to store and dispense renewable
17 reformulated gasoline from a storage tank to a motor vehicle
18 fuel pump as required pursuant to chapter 214A, pursuant to
19 section 455G.23. However, the owner or operator shall not be
20 reimbursed more than ten thousand dollars for converting a
21 motor vehicle fuel storage tank or more than three thousand
22 dollars for converting storage tank piping.

23 Sec. 13. NEW SECTION. 455G.23 CONVERSION NECESSARY TO
24 STORE AND DISPENSE RENEWABLE REFORMULATED GASOLINE.

25 1. As used in this section:

26 a. "Conventional gasoline" means conventional blended
27 gasoline as defined in section 214A.1.

28 b. "Motor vehicle fuel storage tank" or "tank" means the
29 same as defined in section 214A.1.

30 c. "Motor vehicle fuel storage tank equipment" means a
31 motor vehicle fuel storage tank or motor vehicle fuel storage
32 tank piping.

33 d. "Motor vehicle fuel storage tank piping" means the same
34 as defined in section 214A.1.

35 e. "Renewable reformulated gasoline" means the same as

1 defined in section 214A.1.

2 f. "Site" means the same as defined in section 214A.1.

3 2. The board shall establish a program to reimburse the
4 owner or operator of a site for costs necessary to convert
5 motor vehicle fuel storage tank equipment for use in storing
6 or dispensing renewable reformulated gasoline as provided
7 pursuant to chapter 214A. The conversion may be in the form
8 of the replacement of or modifications in the motor vehicle
9 fuel storage tank equipment.

10 3. In order to be eligible for reimbursement, all of the
11 following must apply:

12 a. The motor vehicle fuel storage tank equipment is
13 located at a site.

14 b. The site must comply with federal and state standards
15 governing new or upgraded motor vehicle fuel storage tank
16 equipment.

17 4. The owner or operator shall apply to the board in a
18 manner and according to procedures required by the board. The
19 application shall contain all information required by the
20 board and shall at least include all of the following:

21 a. The name of the owner or operator and the address of
22 the site.

23 b. A detailed description of the motor vehicle fuel
24 storage tank equipment, including all of the following:

25 (1) The location of the motor vehicle fuel storage tank
26 equipment on the site.

27 (2) The date that the motor vehicle fuel storage tank
28 equipment was installed on the site.

29 (3) The model number of the motor vehicle fuel storage
30 tank equipment, if available.

31 (4) A statement that the conversion necessary to store
32 renewable reformulated gasoline in the motor vehicle fuel
33 storage tank or to dispense renewable reformulated gasoline
34 using motor vehicle fuel storage tank piping has not begun or
35 been completed since the date of installation.

1 c. One of the following:

2 (1) A statement certified by the manufacturer of the motor
3 vehicle fuel storage tank equipment verifying that the motor
4 vehicle fuel storage tank equipment is not warranted for the
5 storage or dispensing of renewable reformulated gasoline.

6 (2) A letter signed by an agent or representative of two
7 property and casualty insurers of motor vehicle fuel storage
8 tank equipment recognized by the board. Each letter must
9 state that the motor vehicle fuel storage tank equipment is
10 not insurable for the storage or dispensing of renewable
11 reformulated gasoline under policies customarily issued by the
12 insurer covering motor vehicle fuel storage tank equipment.

13 5. A site classified as a no further action site pursuant
14 to a certificate issued by the department under section
15 455B.474 shall retain its classification following
16 modifications necessary to store and dispense renewable
17 reformulated gasoline, and the owner-operator shall not be
18 required to perform a new site assessment unless the site
19 causes a clear, present, and impending danger to the public
20 health or the environment.

21 6. The board shall not accept an application for
22 reimbursement of conversion costs as provided in this section
23 on or after July 1, 2002.

24 Sec. 14. RENEWABLE REFORMULATED GASOLINE PROMOTION STUDY
25 -- USE OF DECALS. There is appropriated from the general fund
26 of the state to the department of agriculture and land
27 stewardship for the fiscal year beginning July 1, 2000, and
28 ending June 30, 2001, the following amount, or so much thereof
29 as is necessary, to be used for the purposes designated:

30 For the purpose of conducting a study by the office of
31 renewable fuels and coproducts created pursuant to section
32 159A.3 in order to increase the demand for renewable
33 reformulated gasoline as defined in section 214A.1, as amended
34 by this Act, by placing test decals on motor vehicle fuel
35 pumps:

1 \$ 25,000

2 1. The office shall conduct the study in cooperation with
3 the renewable fuels and coproducts advisory committee. The
4 committee shall develop various test decals which the
5 department shall place on motor vehicle pumps which dispense
6 renewable reformulated gasoline in different regions
7 throughout the state. The decals shall use different designs,
8 colors, shapes, sizes, and wording. A test decal shall be
9 placed on the pump in lieu of the decal otherwise required to
10 be placed on the pump pursuant to section 214A.16. The decals
11 shall be designed to promote the advantages of using renewable
12 reformulated gasoline. The office shall provide for the
13 placement of different decals in regions throughout the state.

14 2. The office shall submit a report to the governor and
15 general assembly not later than March 1, 2001. The report
16 shall include a summary of the study, an image of the test
17 decals used, the results of the study, and any plan for
18 changing the decal currently used by the department as
19 required pursuant to section 214A.16.

20 Sec. 15. 1999 Iowa Acts, chapter 204, section 15,
21 subsection 4, paragraph a, is amended by striking the
22 paragraph.

23 Sec. 16. APPLICABILITY. The amendment to section 15.333
24 in this Act applies to tax years beginning on or after July 1,
25 2000.

26 EXPLANATION

27 This bill provides for the establishment of a health
28 enhancement and value-added energy initiative. The bill
29 includes a section describing the purposes of the bill,
30 including providing for protecting the public health,
31 preserving the state's water, and encouraging the manufacture
32 of compatible value-added products.

33 The bill amends Code section 15.333, which provides for tax
34 credits for eligible businesses. The bill provides that if an
35 eligible business provides for the manufacturing of value-

1 added agricultural products, the business may elect to fully
2 transfer its investment tax credit to another person.

3 The bill amends Code chapter 214A which provides for the
4 regulation of motor vehicle fuel, including gasoline blended
5 with oxygenates such as methyl tertiary butyl ether (MTBE) or
6 ethanol. This bill creates a number of new definitions
7 including "renewable reformulated gasoline", which includes a
8 "renewable fuel" such as ethanol, and "conventional gasoline"
9 which is gasoline other than renewable reformulated gasoline.

10 The bill provides that after January 1, 2001, a retail
11 dealer is prohibited from selling conventional gasoline from a
12 site, unless the retail dealer also sells renewable
13 reformulated gasoline from at least one motor vehicle fuel
14 pump at the site. The bill provides that on or after January
15 1, 2002, a retail dealer is prohibited from selling
16 conventional gasoline from a pump, unless the retail dealer
17 sells renewable reformulated gasoline from one pump which sold
18 the lowest grade of conventional gasoline on a date certain.
19 The bill prohibits a retail dealer from selling conventional
20 gasoline with a lower octane level than the retail dealer
21 sells renewable reformulated gasoline from at least one pump
22 at the site.

23 The bill excuses a retail dealer from complying with the
24 bill's requirements, if the retail dealer cannot sell
25 renewable reformulated gasoline due to a number of reasons,
26 including the failure of a wholesale dealer to supply the
27 gasoline; the temporary depletion of the retail dealer's
28 inventory; a communication by a federal or state agency
29 requiring or requesting that the retail dealer cease using a
30 tank storing renewable reformulated gasoline; or the repair,
31 replacement, or maintenance of a tank or related equipment.

32 In 1999, the general assembly enacted House File 772 (1999
33 Iowa Acts, chapter 204), which in part provides that on or
34 after February 1, 2000, a retail dealer of motor vehicle fuel
35 is prohibited from offering for sale in this state fuel that

1 contains more than 2 percent of methyl tertiary butyl ether
2 (MTBE) by volume. This bill eliminates the provision in the
3 Iowa Acts and codifies a provision which prohibits a person
4 from selling or storing motor vehicle fuel containing more
5 than one-half of 1 percent by volume.

6 The bill amends Code chapter 455G by requiring the Iowa
7 comprehensive petroleum underground storage tank fund board to
8 establish a program to reimburse the owner or operator of a
9 site for costs necessary to store and dispense renewable
10 reformulated gasoline. Moneys for reimbursement derive from
11 the remedial account of the Iowa comprehensive petroleum
12 underground storage tank fund.

13 The bill appropriates moneys to the department of
14 agriculture and land stewardship to study the use of decals
15 placed on motor vehicle fuel pumps.

16 Generally, a retail dealer who violates the provisions of
17 this bill is guilty of a simple misdemeanor. This bill
18 provides that a retail dealer who sells gasoline which is not
19 renewable reformulated gasoline is subject to a civil penalty
20 of not more than \$100.

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S-5374

1 Amend Senate File 2448 as follows:

2 1. Page 8, by inserting before line 24 the
3 following:

4 "Sec. ____ . NEW SECTION. 214A.16B RENEWABLE
5 REFORMULATED GASOLINE -- PRICE.

6 A wholesale dealer or retail dealer shall not sell
7 renewable reformulated gasoline in this state at a
8 price which is greater than the price charged for
9 conventional gasoline, if the renewable reformulated
10 gasoline and the conventional gasoline have the same
11 level of octane."

12 2. By renumbering as necessary.

By MIKE CONNOLLY

W/D 4/12/00 (p. 1130)
S-5374 FILED APRIL 10, 2000

SENATE FILE 2448

S-5385

1 Amend Senate File 2448 as follows:

2 1. Page 7, by striking lines 1 through 15, and
3 inserting the following:

4 "_____. Except as provided in this section, the
5 following shall apply:

6 a. A retail dealer, on or after January 1, 2001,
7 shall not sell conventional gasoline from a motor
8 vehicle fuel pump, unless the retail dealer also sells
9 renewable reformulated gasoline from at least one pump
10 at the same site.

11 b. A retail dealer, on or after January 1, 2002,
12 shall not sell conventional gasoline from a motor
13 vehicle fuel pump, unless the retail dealer also sells
14 from at least one pump renewable reformulated gasoline
15 which has an octane level that equals the lowest
16 octane level of conventional gasoline sold at the same
17 site on July 1, 2001. However, at no time shall the
18 retail dealer sell conventional gasoline with a lower
19 octane level than the retail dealer sells renewable
20 reformulated gasoline from at least one pump at the
21 site."

By MERLIN E. BARTZ

S-5385 FILED APRIL 12, 2000
RULED OUT OF ORDER

(P. 1130)

SENATE FILE 2448

S-5386

1 Amend Senate File 2448 as follows:

2 1. Page 3, line 8, by striking the word "valid"
3 and inserting the following: "redeemed".

4 2. Page 3, line 9, by inserting after the word
5 "completion." the following: "However, in no case
6 shall a tax credit certificate be redeemed earlier
7 than July 1, 2002."

8 3. Page 9, line 30, by striking the word "a" and
9 inserting the following: "the".

10 4. Page 9, by striking lines 31 and 32 and
11 inserting the following: "same as defined in section
12 214A.1."

13 5. Page 12, by inserting after line 22 the
14 following:

15 "Sec. ____ . INTERIM STUDY. The legislative council
16 is requested to establish an interim study committee.
17 The study committee shall consider the availability of
18 motor vehicle fuel with levels of octane customarily
19 used to combine with alcohol in order to produce
20 renewable reformulated gasoline as provided in chapter
21 214A as amended by this Act. The study committee is
22 directed to submit its findings, together with any
23 recommendations, in a report to the general assembly
24 which convenes in January 2001, as required by the
25 legislative council."

26 6. Page 12, by striking lines 23 through 25.

By MERLIN E. BARTZ

S-5386 FILED APRIL 12, 2000

ADOPTED

(P. 1129)

SENATE FILE 2448

S-5388

1 Amend Senate File 2448 as follows:

2 1. By striking page 6, line 34, through page 8,
3 line 23, and inserting the following:

4 "Sec. ____ . NEW SECTION. 214A.16A RENEWABLE
5 REFORMULATED GASOLINE -- AVAILABILITY REQUIRED.

6 1. Except as provided in this section, a retail
7 dealer shall not sell conventional gasoline at a site,
8 unless the retail dealer also sells renewable
9 reformulated gasoline at that site. A retail dealer
10 required to sell renewable reformulated gasoline must
11 operate at least one motor vehicle fuel pump that
12 dispenses renewable reformulated gasoline at the same
13 site where the retail dealer operates a motor vehicle
14 fuel pump that dispenses conventional gasoline.

15 2. a. This section does not apply to the extent
16 that a retail dealer cannot sell renewable
17 reformulated gasoline at a site because the motor
18 vehicle fuel storage tank equipment located on the
19 site is not compatible with storing and dispensing
20 renewable reformulated gasoline.

21 b. This section does not require a retail dealer
22 to sell renewable reformulated gasoline at a site if
23 the site has only one single undivided motor vehicle
24 fuel storage tank.

25 c. This section does not require a retail dealer
26 to cease selling conventional gasoline during any
27 period when the retail dealer cannot sell renewable
28 reformulated gasoline due to any of the following:

29 (1) A wholesale dealer fails to supply the retail
30 dealer with renewable reformulated gasoline on a
31 timely basis. This subparagraph does not apply if the
32 retail dealer and the wholesale dealer are the same
33 person.

34 (2) A temporary depletion of the retail dealer's
35 renewable reformulated gasoline inventory. This
36 subparagraph does not apply if the retail dealer
37 stores renewable reformulated gasoline in the depleted
38 tank.

39 (3) A communication, including the issuance of an
40 order or letter, by a federal or state agency,
41 including the United States environmental protection
42 agency, the department of natural resources, or the
43 department of agriculture and land stewardship,
44 requiring or requesting that the retail dealer cease
45 using a motor vehicle fuel storage tank storing
46 renewable reformulated gasoline or related motor
47 vehicle fuel storage tank equipment. This
48 subparagraph does not apply once the terms of the
49 communication have expired.

50 (4) A motor vehicle fuel storage tank used to

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Page 2

1 store renewable reformulated gasoline or related motor
 2 vehicle fuel storage tank equipment cannot function
 3 because of repair, replacement, or maintenance. This
 4 subparagraph does not apply after the tank or related
 5 equipment has been repaired, replaced, or maintained
 6 or should have been repaired, replaced, or maintained
 7 within a period customary for that type of repair,
 8 replacement, or maintenance.

9 3. The department shall adopt pursuant to chapter
 10 17A all rules necessary in order to administer this
 11 section."

12 2. By renumbering as necessary.

By JEFF ANGELO
 H. KAY HEDGE
 MATT McCOY

S-5388 FILED APRIL 12, 2000

ADOPTED (P. 1129) *Motion to R/C by Bartz 4/12/00*
Motion to R/C by Bartz Dailed 4/13/00 (P. 1155)
 SENATE FILE 2448

S-5389

1 Amend Senate File 2448 as follows:

2 1. Page 8, by inserting before line 24 the
 3 following:

4 "Sec. ____ . NEW SECTION. 214A.16B RENEWABLE
 5 REFORMULATED GASOLINE -- PRICE.

6 A wholesale dealer or retail dealer shall not sell
 7 renewable reformulated gasoline in this state at a
 8 price which is greater than one cent less than the
 9 price charged for conventional gasoline, if the
 10 renewable reformulated gasoline and the conventional
 11 gasoline have the same level of octane."

12 2. By renumbering as necessary.

By BETTY A. SOUKUP
 JOHN JUDGE
 JOHN P. KIBBIE

S-5389 FILED APRIL 12, 2000

LOST

(P. 1131)

SENATE FILE 2448

S-5392

1 Amend Senate File 2448 as follows:

2 1. Page 1, by inserting after line 19, the
3 following:

4 "____. It is the intent of the general assembly
5 that on and after July 1, 2007, the excise tax imposed
6 on renewable reformulated gasoline as provided in
7 section 452A.3 shall remain at the same rate as the
8 general rate for conventional gasoline, if on average
9 within a calculation period as provided in that
10 section, more than fifty percent of the total excise
11 tax receipts collected by the department is attributed
12 to the sale of renewable reformulated gasoline."

13 2. Page 9, by inserting after line 10, the
14 following:

15 "Sec. ____ . NEW SECTION. 307.50 DEPARTMENTAL
16 ANALYSIS -- REPORT.

17 On July 1, 2004, or three months following the
18 federal surface transportation funding reauthorization
19 to the state, whichever occurs earlier, the department
20 shall submit a report to the governor and general
21 assembly. The report shall analyze federal
22 transportation funding to the state, including funding
23 based on federal excise taxes collected in this state,
24 and any reduction in federal funding that has been
25 caused because of this Act in relation to federal
26 excise tax receipts. If the department determines
27 that there has been a reduction in federal funding,
28 the report shall provide for alternative methods by
29 which lost federal revenues may be replaced by the
30 general assembly.

31 Sec. ____ . Section 452A.3, subsection 2, paragraph
32 b, Code 1999, is amended to read as follows:

33 b. For the privilege of operating motor vehicles
34 in this state, an the following shall apply to
35 renewable reformulated gasoline as provided in chapter
36 214A which is used for any purpose except as otherwise
37 provided in this division:

38 (1) An excise tax of nineteen cents per gallon
39 until through June 30, 2007, is imposed upon the use
40 of motor-fuel-containing-at-least-ten-percent-alcohol
41 distilled-from-cereal-grains-grown-in-the-United
42 States-and-used-for-any-purpose-except-as-otherwise
43 provided-in-this-division renewable reformulated
44 gasoline, until adjusted as provided in this
45 paragraph. On and after January 1, 2001, through June
46 30, 2007, the excise tax imposed upon renewable
47 reformulated gasoline is subject to adjustment as
48 follows:

49 (a) The excise tax is twenty cents, if on average
50 for a calculation period, fifty-five percent or more

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1 of the total excise tax receipts collected by the
 2 department is attributed to the sale of renewable
 3 reformulated gasoline, as determined by the
 4 department.

5 (b) The excise tax is nineteen cents, if on
 6 average for a calculation period, less than fifty-five
 7 percent of the total excise tax receipts collected by
 8 the department is attributable to the sale of
 9 renewable reformulated gasoline, as determined by the
 10 department.

11 (2) As used in this paragraph "b", a calculation
 12 period begins on January 1 and ends on December 31.
 13 The department shall make a determination whether the
 14 excise tax must be adjusted at the end of each
 15 calculation period. An adjusted excise tax shall
 16 become applicable on July 1 following the department's
 17 determination that an adjustment is necessary, and
 18 shall continue at the same rate until adjusted again,
 19 through June 30, 2007. The department shall provide
 20 notice to persons remitting the excise tax that will
 21 be in effect beginning on July 1 of each year, through
 22 June 30, 2007."

By RICHARD F. DRAKE
 MATT McCOY
 MERLIN E. BARTZ
 JOANN JOHNSON

DERRYL McLAREN
 PATRICIA HARPER
 STEWART IVERSON, Jr.
 MICHAEL E. GRONSTAL

S-5392 FILED APRIL 12, 2000

DEFERRED

W/D 4/17/00
 (P. 1182)

SENATE FILE 2448

S-5393

1 Amend the amendment, S-5388, to Senate File 2448,
 2 as follows:
 3 1. Page 1, line 37, by striking the words
 4 "renewable reformulated" and inserting the following:
 5 "conventional".

By JEFF ANGELO

S-5393 FILED APRIL 12, 2000

ADOPTED

(P. 1129)

SENATE FILE 2448

S-5394

1 Amend the amendment, S-5388, to Senate File 2448 as
2 follows:
3 1. Page 2, by inserting after line 11, the
4 following:
5 "____. Page 12, by inserting after line 22 the
6 following:
7 "Sec. ____ . INTERIM STUDY. The legislative council
8 is requested to establish an interim study committee.
9 The study committee shall consider the availability of
10 motor vehicle fuel with levels of octane customarily
11 used to combine with alcohol in order to produce
12 renewable reformulated gasoline as provided in chapter
13 214A as amended by this Act. The study committee is
14 directed to submit its findings, together with any
15 recommendations, in a report to the general assembly
16 which convenes in January 2001, as required by the
17 legislative council.""

By LARRY MCKIBBEN

S-5394 FILED APRIL 12, 2000
WITHDRAWN

(P. 1129)

SENATE FILE 2448

S-5395

1 Amend Senate File 2448 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. HEAVEN INITIATIVE. This Act shall be
5 known and may be cited as the "healthy environmental
6 and value-added energy initiative."

7 1. The general assembly finds and declares all of
8 the following:

9 a. A significant amount of this state's air
10 pollution is caused by vehicles emitting a variety of
11 petroleum-based pollutants, including benzene and
12 other aromatics, nitrous oxides, particulate matter in
13 the forms of smoke and soot, carbon monoxide, and
14 carbon dioxide.

15 b. Motor vehicle fuel that contains three and five
16 tenths percent oxygen enhances octane levels and
17 provides more oxygen for fuel combustion resulting in
18 reduced levels of hazardous emissions such as carbon
19 monoxide and providing citizens of this state with
20 healthier air to breathe.

21 c. The state must capture the greatest benefit
22 from opportunities created by industries manufacturing
23 high value-added products derived from abundant
24 resources of this state, which may be used to
25 transform alternative motor vehicle fuels into
26 conventional motor vehicle fuels.

27 2. The purpose of this Act is to protect the
28 public health, preserve this state's natural
29 environment, and encourage the manufacture of
30 compatible value-added products.

31 Sec. 2. Section 15.333, subsection 1, Code
32 Supplement 1999, is amended to read as follows:

33 1. An eligible business may claim a corporate tax
34 credit up to a maximum of ten percent of the new
35 investment which is directly related to new jobs
36 created by the location or expansion of an eligible
37 business under the program. Any credit in excess of
38 the tax liability for the tax year may be credited to
39 the tax liability for the following seven years or
40 until depleted, whichever occurs earlier. Subject to
41 prior approval by the department of economic
42 development in consultation with the department of
43 revenue and finance, an eligible business whose
44 project primarily involves the production of value-
45 added agricultural products may elect to transfer all
46 or a portion of an unused tax credit to any other
47 person. A tax credit shall only be transferred once
48 and the transferee shall not make a subsequent
49 transfer of the tax credit. The transferee may use
50 the amount of the tax credit transferred against a tax

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1 liability imposed under chapter 422, division II, III,
2 or V for any tax year the original transferor could
3 have claimed the credit. If the business is a
4 partnership, subchapter S corporation, limited
5 liability company, or estate or trust electing to have
6 the income taxed directly to the individual, an
7 individual may claim the tax credit allowed. The
8 amount claimed by the individual shall be based upon
9 the pro rata share of the individual's earnings of the
10 partnership, subchapter S corporation, limited
11 liability company, or estate or trust. For purposes
12 of this section, "new investment directly related to
13 new jobs created by the location or expansion of an
14 eligible business under the program" means the cost of
15 machinery and equipment, as defined in section 427A.1,
16 subsection 1, paragraphs "e" and "j", purchased for
17 use in the operation of the eligible business, the
18 purchase price of which has been depreciated in
19 accordance with generally accepted accounting
20 principles, and the cost of improvements made to real
21 property which is used in the operation of the
22 eligible business and which receives a partial
23 property tax exemption for the actual value added
24 under section 15.332.

25 1A. Any consideration received for a transfer of a
26 tax credit pursuant to subsection 1 shall not be
27 included as income under chapter 422, division II,
28 III, or V. Any consideration paid for a transfer of a
29 tax credit pursuant to subsection 1 shall not be
30 deducted from income under chapter 422, division II,
31 III, or V. The amount of the new investment directly
32 related to new jobs created by the location or
33 expansion of an eligible business under the program
34 which equals the tax credit claimed shall not be
35 deducted by the transferor from income under chapter
36 422, division II, III, or V.

37 1B. An eligible business whose project primarily
38 involves the production of value-added agricultural
39 products shall apply to the department of economic
40 development for tax credit certificates. An eligible
41 business whose project primarily involves the
42 production of value-added agricultural products shall
43 not claim a tax credit under this section unless a tax
44 credit certificate issued by the department of
45 economic development is attached to the taxpayer's tax
46 return for the tax year during which the tax credit is
47 claimed. A tax credit certificate shall not be valid
48 until the tax year following the date of the project
49 completion. A tax credit certificate shall contain
50 the taxpayer's name, address, tax identification

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1 number, the date of project completion, the amount of
2 the tax credit, other information required by the
3 department of revenue and finance, and a place for the
4 name and tax identification number of a transferee and
5 the amount of the tax credit being transferred. The
6 department of economic development shall not issue tax
7 credit certificates which total more than four million
8 dollars during a fiscal year.

9 Sec. 3. Section 159A.6, subsection 2, unnumbered
10 paragraph 2, Code 1999, is amended to read as follows:

11 The committee shall develop standards for decals a
12 decal required pursuant to section 214A.16, which
13 shall be designed to promote the advantages of using
14 renewable-fuels diesel fuel containing more than one
15 percent soybean oil by volume. The standards may be
16 incorporated within a model decal adopted by the
17 committee and approved by the office.

18 Sec. 4. Section 214A.1, Code 1999, is amended to
19 read as follows:

20 214A.1 DEFINITIONS.

21 The following definitions shall apply to the
22 various terms used in this chapter:

23 1. "A.S.T.M." means the American society for
24 testing and materials.

25 ~~2. "Motor-vehicle-fuel" means a substance or~~
26 ~~combination of substances which is intended to be or~~
27 ~~is capable of being used for the purpose of propelling~~
28 ~~or running by combustion any internal combustion~~
29 ~~engine and is kept for sale or sold for that purpose.~~
30 ~~The products commonly known as kerosene and distillate~~
31 ~~or petroleum products of lower gravity (Baume scale),~~
32 ~~when not used to propel a motor vehicle or for~~
33 ~~compounding or combining with a motor vehicle fuel,~~
34 ~~are exempt from this chapter except as provided in~~
35 ~~section 214A.2A.~~

36 2. "Dealer" means a retail dealer or a wholesale
37 dealer.

38 3. "Gasoline" means a motor vehicle fuel which is
39 not any of the following:

40 a. Diesel fuel.

41 b. Aviation gasoline or special fuel as defined in
42 section 452A.2.

43 4. "Gasoline station" means the location of a
44 profit or nonprofit business where gasoline is offered
45 for sale by a retail dealer.

46 5. "Motor vehicle" means a self-propelled vehicle
47 that operates using gasoline, including but not
48 limited to any of the following:

49 a. An automobile as defined in section 321.1.

50 b. A motor truck as defined in section 321.1.

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- 1 c. A motor bus as used in section 452A.57.
2 d. A motorcycle as defined in section 321.1.
3 e. A watercraft as defined in section 462A.2.
4 f. An off-road vehicle which is a snowmobile or an
5 all-terrain vehicle as defined in section 321G.1.
6 6. "Motor vehicle fuel" means the same as defined
7 in section 214.1.
8 7. "Motor vehicle fuel container" means a
9 container used for the temporary storage of motor
10 vehicle fuel by the consumer of that motor vehicle
11 fuel.
12 8. "Motor vehicle fuel pump" or "pump" means the
13 same as defined in section 214.1.
14 9. "Offer for sale" means to make an offer to sell
15 motor vehicle fuel on a retail basis.
16 3- 10. "Oxygenate octane enhancer" means oxygen-
17 containing compounds, including but not limited to
18 alcohols, ethers, or ethanol.
19 11. "Oxygenated gasoline" means gasoline that
20 contains an oxygenate octane enhancer as provided in
21 section 214A.2.
22 12. "Qualified motor vehicle" means a motor
23 vehicle that is any of the following:
24 a. A watercraft.
25 b. A motorcycle.
26 c. An antique vehicle registered under section
27 321.115.
28 d. An off-road vehicle that is a snowmobile or an
29 all-terrain vehicle.
30 13. "Raceway" means an enclosed area in which
31 there is located a public or private road used for
32 racing.
33 4- 14. "Retail dealer" shall-mean-and-include-any
34 means a person, firm, partnership, association, or
35 corporation who operates, maintains, or conducts,
36 either in person, or by any agent, employee, or
37 servant, any place of business, filling station, pump
38 station, or tank wagon, from which any motor vehicle
39 fuel, as defined herein, is sold or offered for sale,
40 at retail, or to the final or ultimate consumer.
41 5- 15. "Wholesale dealer" shall-mean-and-include
42 any means a person, firm, partnership, association, or
43 corporation, other than a retail dealers-as-defined-in
44 subsection-3-of-this-section, who sells, keeps, or
45 holds, for sale, or purchase dealer who provides motor
46 vehicle fuel for the purpose of sale within this
47 state, any motor vehicle fuel.
48 16. "Unxygenated gasoline" means gasoline other
49 than oxygenated gasoline.

50 Sec. 5. Section 214A.2, subsection 1, Code

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1 Supplement 1999, is amended to read as follows:

2 1. a. The secretary department shall adopt rules
3 pursuant to chapter 17A for carrying out this chapter.
4 The rules may shall include, but are not limited to,
5 establishing specifications relating to motor vehicle
6 fuel or oxygenate octane enhancers.

7 b. In the interest of uniformity, the secretary
8 department shall adopt rules, by reference or
9 otherwise, to establish specifications relating to
10 tests and standards for motor vehicle fuel or
11 oxygenate octane enhancers, ~~established.~~ The
12 specifications shall be based on those established by
13 the American society for testing and materials
14 (A.S.T.M.), unless the secretary department determines
15 that those specifications are inconsistent with this
16 chapter or are not appropriate to the conditions which
17 exist in this state.

18 c. The department shall not use Reid vapor
19 pressure tests more frequently to test oxygenated
20 gasoline than customarily required to test
21 unoxygenated gasoline.

22 Sec. 6. Section 214A.2, Code Supplement 1999, is
23 amended by adding the following new subsection:

24 NEW SUBSECTION. 1A. An oxygenated gasoline must
25 contain at least three and five-tenths percent oxygen
26 by weight.

27 Sec. 7. Section 214A.2A, Code 1999, is amended to
28 read as follows:

29 214A.2A KEROSENE LABELING AND LOW GRAVITY
30 PETROLEUM PRODUCTS.

31 1. Except as provided in subsection 2, products
32 commonly known as kerosene and distillate or petroleum
33 products of lower gravity (Baume scale), when not used
34 to propel a motor vehicle or for compounding or
35 combining with a motor vehicle fuel, are exempt from
36 this chapter.

37 2. Fuel which is sold or is kept, offered, or
38 exposed for sale as kerosene shall be labeled as
39 kerosene. The label shall include the word "kerosene"
40 and a designation as either "K1" or "K2", and shall
41 indicate that the kerosene is in compliance with the
42 standard specification adopted by the A.S.T.M. in
43 specification D-3699 (1982).

44 Sec. 8. Section 214A.4, Code 1999, is amended to
45 read as follows:

46 214A.4 INTRASTATE SHIPMENTS.

47 A wholesale dealer or-retail-dealer shall not
48 receive or sell or hold for sale, within this state,
49 any motor vehicle fuel or an oxygenate octane enhancer
50 for which specifications are prescribed in this

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1 chapter, unless the all of the following apply:

2 1. The motor vehicle fuel is subject to
3 specifications required in this chapter, other than
4 standards relating to the oxygen content of oxygenated
5 gasoline as provided pursuant to section 214A.2.

6 2. The dealer ~~first-secures~~ receives from the
7 refiner or producer of the motor vehicle fuel or
8 oxygenate octane enhancer, a certified statement,
9 verified-by-the-oath-of by a competent chemist
10 qualified according to requirements of the department,
11 who is employed by or representing represents the
12 refiner or producer,--showing. The statement shall
13 certify that the ~~true-standards-and-tests-of-the~~ motor
14 vehicle fuel or oxygenate octane enhancer,--obtained-by
15 the-methods-referred-to satisfies specifications for
16 the motor vehicle fuel or oxygenate octane enhancer as
17 required by the department pursuant to section 214A.2.
18 The statement shall be based on tests and standards
19 approved by the department as provided in section
20 214A.2. The ~~verified-tests-are-required-and~~ statement
21 must accompany the bill of lading or shipping
22 documents representing the shipment of the motor
23 vehicle fuel or oxygenate octane enhancer into this
24 state before the shipment can be received and
25 unloaded, and shall be included with any cargo
26 documents required pursuant to section 452A.12.

27 Sec. 9. Section 214A.16, Code 1999, is amended to
28 read as follows:

29 214A.16 NOTICE ~~OF-BLENDED-FUEL~~---DECAL ON MOTOR
30 VEHICLE FUEL PUMPS.

31 1. ~~All-motor-vehicle-fuel-kept,--offered,--or~~
32 ~~exposed-for-sale,--or-sold-at-retail-containing-over~~
33 ~~one-percent-ethanol,--methanol,--or-any-combination-of~~
34 ~~oxygenate-octane-enhancers-shall-be-identified-as~~
35 ~~"with"-either-"ethanol",--"methanol",~~
36 ~~"ethanol/methanol",--or-similar-wording-on A retail~~
37 dealer shall place a decal on a motor vehicle fuel
38 pump that dispenses motor vehicle fuel as required in
39 this section. The decal shall identify the motor
40 vehicle fuel as follows:

41 a. If the motor vehicle fuel is unoxygenated
42 gasoline, the decal shall state the following:
43 "Nonoxygenated gasoline only for use in antique
44 vehicles, off-road vehicles, motorcycles, watercraft,
45 or small engines."

46 b. ~~All~~ If the motor vehicle fuel is diesel fuel
47 ~~kept,--offered,--or-exposed-for-sale,--or-sold-at-retail~~
48 containing ~~over~~ more than one percent soybean oil by
49 volume the decal shall ~~be-identified~~ identify the
50 diesel fuel as "with soydiesel" or similar wording on

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1 a decal.

2 2. The design and location of the decals shall be
3 prescribed by rules adopted by the department. The
4 ~~department shall adopt the rules to be effective by~~
5 ~~January 17, 1995.~~ A decal identifying a renewable
6 diesel fuel containing more than one percent soybean
7 oil by volume shall be consistent with standards
8 adopted pursuant to section 159A.6. ~~Until the~~
9 ~~department establishes standards for decals, the~~
10 ~~wording shall be on a white adhesive decal with black~~
11 ~~letters at least one-half inch high and at least one-~~
12 ~~quarter inch wide placed between thirty and forty~~
13 ~~inches above the driveway level on the front sides of~~
14 ~~any container or pump from which the motor fuel is~~
15 ~~sold.~~ The department may approve an application to
16 place a decal in a special location on a pump or
17 container or use a decal with special lettering or
18 colors, if the decal appears clear and conspicuous to
19 the consumer. The application shall be made in
20 writing pursuant to procedures adopted by the
21 department. ~~Designs for a decal identifying a~~
22 ~~renewable fuel shall be consistent with standards~~
23 ~~adopted pursuant to section 159A.6.~~

24 Sec. 10. NEW SECTION. 214A.21 GASOLINE
25 REQUIREMENTS.

26 1. Except as provided in this section, a person
27 shall not offer for sale gasoline other than
28 oxygenated gasoline in this state.

29 2. This section shall not apply to gasoline used
30 to operate any of the following:

31 a. An aircraft as defined in section 328.1.

32 b. A motor vehicle used exclusively for motor
33 sports, including a raceway, if the motor vehicle
34 cannot operate on a highway as provided in chapter 321
35 or rules adopted by the state department of
36 transportation.

37 3. A person may offer for sale unoxygenated
38 gasoline only as provided in this subsection. All
39 unoxygenated gasoline offered for sale in this state
40 must be unleaded gasoline as provided in section
41 214A.2. The unoxygenated gasoline shall only be
42 offered for sale for one of the following purposes:

43 a. The operation of a qualified motor vehicle or a
44 small engine.

45 b. The temporary storage of unoxygenated gasoline
46 in a small motor vehicle fuel container. The small
47 motor vehicle fuel container shall meet all of the
48 following requirements:

49 (1) It shall comply with the standards set forth
50 in section 214A.15, or rules adopted by the

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1 department.

2 (2) It shall have a capacity of not more than six
3 gallons.

4 c. A retail dealer shall only offer for sale
5 unoxygenated gasoline at a gasoline station.

6 Sec. 11. Section 452A.3, subsection 2, Code
7 Supplement 1999, is amended to read as follows:

8 2. a. For the privilege of operating aircraft in
9 this state an excise tax of eight cents per gallon is
10 imposed on the use of all aviation gasoline.

11 ~~b.--For the privilege of operating motor vehicles
12 in this state, an excise tax of nineteen cents per
13 gallon until June 30, 2007, is imposed upon the use of
14 motor fuel containing at least ten percent alcohol
15 distilled from cereal grains grown in the United
16 States and used for any purpose except as otherwise
17 provided in this division.~~

18 Sec. 12. Section 452A.12, Code 1999, is amended to
19 read as follows:

20 452A.12 LOADING AND DELIVERY EVIDENCE ON
21 TRANSPORTATION EQUIPMENT.

22 1. As used in this section, unless the context
23 otherwise requires:

24 a. "Cargo document" means a manifest or loading
25 and delivery evidence as provided in this section.

26 b. "Gasoline" means the same as defined in section
27 214A.1.

28 c. "Oxygenated gasoline" means the same as defined
29 in section 214A.1.

30 d. "Oxygenate octane enhancer" means the same as
31 defined in section 214A.1.

32 2. A cargo document shall describe any
33 transportation of motor fuel as required in this
34 section.

35 2A. a. A serially-numbered manifest cargo
36 document shall be carried on every vehicle, except
37 small tank wagons, while in use in transportation
38 service, on which shall be entered the following. The
39 cargo document shall be a serially numbered manifest.
40 The manifest shall include information as to about the
41 cargo of motor fuel or special fuel being moved in the
42 vehicle as required by the department, including all
43 of the following:

44 (1) The date and place of loading, and the place
45 to be unloaded, the of unloading the cargo.

46 (2) The person for whom it the cargo is to be
47 delivered, the.

48 (3) The nature and kind of product, the being
49 delivered. The manifest shall state whether the motor
50 fuel is gasoline or another type of motor fuel.

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1 (4) ~~The amount of product, and other information~~
2 ~~required by the department including the number of~~
3 ~~gallons of motor fuel being delivered.~~

4 (5) If the motor fuel is gasoline, the manifest
5 shall include provisions required in subsection 4.

6 b. The manifest for small tank wagons shall be
7 retained at the home office. The manifest covering
8 each load transported, upon consummation of the
9 delivery, shall be completed by showing the date and
10 place of actual delivery and the person to whom
11 actually delivered and shall be kept as a permanent
12 record for a period of three years. However, ~~the~~ The
13 record of the manifest of past cargoes ~~need~~ is not
14 required to be carried on the conveyance but shall be
15 preserved by the carrier for inspection by the
16 department. A carrier subject to this subsection when
17 distributing for a licensee may with the approval of
18 the department substitute the loading and delivery
19 evidence required in subsection 2-~~for~~ 3 in lieu of the
20 manifest.

21 ~~2- 3.~~ A person while transporting motor fuel or
22 undyed special fuel from a refinery or marine or
23 pipeline terminal in this state or from a point
24 outside this state over the highways of this state in
25 service other than that under subsection ~~±~~ 2A shall
26 carry in the vehicle a ~~loading-invoice cargo document~~
27 which shall be ~~loading and delivery evidence~~ showing
28 all of the following:

29 a. The name and address of the seller or
30 consignor, ~~the.~~

31 b. The date and place of loading, ~~and the.~~

32 c. The kind and quantity of motor fuel or special
33 fuel loaded, ~~together with invoices.~~ The loading and
34 delivery evidence shall state whether the motor fuel
35 is gasoline or another type of motor fuel.

36 d. Invoices showing the kind and quantity of each
37 delivery and the name and address of each purchaser or
38 consignee. If the motor fuel is gasoline, the invoice
39 shall state the number of gallons of gasoline being
40 delivered. The loading invoice shall include
41 provisions required in subsection 4.

42 4. a. Except as provided in paragraph "b", if the
43 cargo is gasoline, the cargo document shall identify
44 the volume percentage or gallons of oxygenate octane
45 enhancers in the gasoline, and the octane number for
46 the gasoline as provided in section 214A.2. The cargo
47 document shall include a statement printed in at least
48 ten-point boldface type. The statement shall provide
49 as follows:

50 (1) If the motor fuel is oxygenated gasoline, the

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1 statement shall provide: "This motor fuel is
2 oxygenated gasoline legal for sale in this state as
3 provided by Iowa Code chapter 214A."

4 (2) If the motor fuel is not oxygenated gasoline,
5 the statement shall provide: "This motor fuel is
6 nonoxygenated gasoline legal for restricted retail
7 sale in this state as provided in Iowa Code chapter
8 214A."

9 b. This subsection shall not apply to the
10 transport of gasoline between refineries, between
11 terminals, or between a refinery and a terminal.

12 Sec. 13. Section 455G.9, subsection 1, Code
13 Supplement 1999, is amended by adding the following
14 new paragraph:

15 NEW PARAGRAPH. k. Up to one hundred percent of
16 the costs necessary to reimburse the owner or operator
17 for costs associated with converting a fiberglass
18 motor vehicle fuel storage tank or storage tank piping
19 used to transport oxygenated gasoline from a
20 fiberglass storage tank to a pump as required pursuant
21 to chapter 214A, pursuant to section 455G.23.
22 However, the owner or operator shall not be reimbursed
23 more than ten thousand dollars for converting a
24 fiberglass storage tank or more than three thousand
25 dollars for converting storage tank piping.

26 Sec. 14. NEW SECTION. 455G.23 CONVERSION
27 NECESSARY TO STORE AND DISPENSE OXYGENATED GASOLINE.

28 1. As used in this section:

29 a. "Fiberglass storage tank" means a storage tank
30 that is fiberglass or fiberglass-lined when
31 manufactured.

32 b. "Oxygenated gasoline" means oxygenated gasoline
33 as defined in section 214A.1.

34 c. "Storage tank" means a storage container that
35 is a fixture on the surface or underground on the
36 premises of a gasoline station as defined in section
37 214A.1 that is used to store and dispense gasoline to
38 customers on a retail basis.

39 d. "Storage tank equipment" means a storage tank
40 or storage tank piping.

41 e. "Storage tank piping" means any rigid or
42 flexible piping used to transport motor fuel from a
43 storage tank to a motor vehicle fuel pump as defined
44 in section 214A.1.

45 2. The board shall establish a program to
46 reimburse the owner or operator of a site for costs
47 necessary to convert a fiberglass storage tank or
48 storage tank piping for use in storing or dispensing
49 oxygenated gasoline as provided pursuant to chapter
50 214A. The conversion may be the replacement of

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1 storage tank equipment or modifications necessary for
2 the storage and dispensing of oxygenated gasoline.
3 3. In order to be eligible for reimbursement, all
4 of the following must apply:
5 a. The site must be located at a gasoline station
6 as defined in section 214A.1.
7 b. The site must comply with federal and state
8 standards governing new or upgraded storage tank
9 equipment.
10 4. The owner or operator shall apply to the board
11 in a manner and according to procedures required by
12 the board. The application shall contain all
13 information required by the board and shall at least
14 include all of the following:
15 a. The name of the owner or operator and the
16 address of the gasoline station.
17 b. A detailed description of the storage tank
18 equipment, including all of the following:
19 (1) The location of the storage tank equipment on
20 the premises of the gasoline station.
21 (2) The date that the storage tank equipment was
22 installed on the premises of the gasoline station.
23 (3) The model number of the storage tank
24 equipment, if available.
25 (4) A statement that the conversion necessary to
26 store oxygenated fuel in the fiberglass storage tank
27 or dispense oxygenated fuel using storage tank piping
28 has not begun or been completed since the date of
29 installation.
30 c. One of the following:
31 (1) A statement certified by the manufacturer of
32 the storage tank equipment verifying that the storage
33 tank equipment is not warranted for the storage or
34 dispensing of oxygenated fuel.
35 (2) A letter signed by an agent or representative
36 of two property and casualty insurers of petroleum
37 equipment recognized by the board. Each letter must
38 state that the storage tank equipment is not insurable
39 for the storage or dispensing of oxygenated fuel under
40 policies customarily issued by the insurer covering
41 storage tank equipment.
42 5. A site classified as a no further action site
43 pursuant to a certificate issued by the department
44 under section 455B.474 shall retain its classification
45 following modifications necessary to store and
46 dispense oxygenated gasoline, and the owner operator
47 shall not be required to perform a new site assessment
48 unless the site causes a clear, present, and impending
49 danger to the public health or the environment.
50 Sec. 15. STUDY -- ALTERNATIVE FUELS.

S-5395

-11-

S-5395

Page 12

1 1. As used in this section, "alternative fuels"
2 means electricity, compressed natural gas, liquefied
3 natural gas, biodiesel fuels, gasoline containing a
4 mixture of eighty-five or more percent ethanol, and
5 gasoline containing eighty-five percent or more
6 methanol.

7 2. The department of revenue and finance, in
8 consultation with the state department of
9 transportation, shall conduct a study regarding
10 methods to tax alternative fuels, including the amount
11 of revenue raised from such methods, in order to
12 ensure that such fuels are taxed on the same basis as
13 conventional motor vehicle fuels.

14 3. The department of revenue and finance shall
15 submit its report to the general assembly not later
16 than January 10, 2001.

17 Sec. 16. This Act is repealed July 1, 2008. The
18 Code editor is directed to recodify the Code
19 provisions amended in this Act, returning them to the
20 form in which they appeared in the 1999 Code or 1999
21 Code Supplement.

22 Sec. 17. EFFECTIVE DATES.

23 1. Except as provided in subsection 2, this Act
24 takes effect on October 21, 2002.

25 2. Section 15, relating to a fuel study, takes
26 effect July 1, 2000. Section 15.333, as amended by
27 this Act, takes effect on July 1, 2000.

28 Sec. 18. APPLICABILITY. The amendment to section
29 15.333 in this Act applies to tax years beginning on
30 and after July 1, 2000."

31 2. Title page, line 1, by striking the words
32 "health enhancement" and inserting the following:
33 "healthy environmental".

34 3. Title page, line 3, by inserting after the
35 word "penalties" the following: "and effective
36 dates".

By PATRICIA HARPER
BETTY A. SOUKUP
JOHN P. KIBBIE

MARK SHEARER
JOHN JUDGE

S-5395 FILED APRIL 12, 2000

LOST (p. 1129)

SENATE FILE 2448

S-5397

1 Amend the amendment, S-5385, to Senate File 2448 as
2 follows:

3 1. Page 1, by striking line 17 and inserting the
4 following: "site. However, at no time on or after
5 January 1, 2002, shall the".

By MERLIN E. BARTZ

S-5397 FILED APRIL 12, 2000
RULED OUT OF ORDER

(p. 1130)

SENATE FILE 2448

S-5404

1 Amend Senate File 2448 as follows:

2 1. Page 4, by inserting after line 16 the
3 following:

4 "Sec. ____ . Section 214A.2, subsection 1, Code
5 Supplement 1999, is amended to read as follows:
6 1. The secretary department shall adopt rules
7 pursuant to chapter 17A for carrying out this chapter.
8 The rules may include, but are not limited to,
9 specifications relating to motor vehicle fuel or
10 oxygenate octane enhancers. In the interest of
11 uniformity, the secretary department shall adopt by
12 reference or otherwise specifications relating to
13 tests and standards for motor fuel or oxygenate octane
14 enhancers, established by the American society for
15 testing and materials (A.S.T.M.), unless the secretary
16 department determines those specifications are
17 inconsistent with this chapter or are not appropriate
18 to the conditions which exist in this state. The
19 department may adopt by rule requirements that
20 gasoline sold in this state contain a percentage of an
21 oxygenate octane enhancer as identified by the
22 department."

By MERLIN E. BARTZ

S-5404 FILED APRIL 13, 2000

W/D
4/17/00 (p. 1182)

SENATE FILE 2448

S-5405

1 Amend Senate File 2448 as follows:

2 1. Page 4, by inserting after line 16 the
3 following:

4 "Sec. ____ . Section 214A.2, subsection 1, Code
5 Supplement 1999, is amended by striking the subsection
6 and inserting in lieu thereof the following:
7 1. a. The department shall adopt rules pursuant
8 to chapter 17A necessary for carrying out this
9 chapter. The rules may include, but are not limited
10 to, providing for specifications requirements for
11 oxygenate octane enhancers in motor vehicle fuel.
12 b. In the interest of uniformity, the department
13 shall adopt by reference or otherwise, specifications
14 relating to tests and standards for motor vehicle fuel
15 or oxygenate octane enhancers, established by the
16 American society for testing and materials (A.S.T.M.),
17 unless the department determines that those
18 specifications are inconsistent with other provisions
19 of this chapter or are not appropriate to the health
20 and economic conditions which exist in this state."

By MERLIN E. BARTZ

S-5405 FILED APRIL 13, 2000

W/D
4/17/00 (p. 1182)

SENATE FILE 2448

S-5410

1 Amend Senate File 2448 as follows:

2 1. Page 4, by inserting after line 16 the
3 following:

4 "Sec. ____ . Section 214A.2, subsection 1, Code
5 Supplement 1999, is amended by striking the subsection
6 and inserting in lieu thereof the following:

7 1. a. The department shall adopt rules pursuant
8 to chapter 17A necessary for carrying out this
9 chapter. The rules may include, but are not limited
10 to, providing for specifications and requirements
11 relating to motor vehicle fuel and specifications and
12 requirements regarding the percentages of oxygenate
13 octane enhancers.

14 b. In the interest of uniformity, the department
15 shall adopt by reference or otherwise, specifications
16 relating to tests and standards for motor vehicle fuel
17 or oxygenate octane enhancers, established by the
18 American society for testing and materials (A.S.T.M.),
19 unless the department determines that those
20 specifications are inconsistent with other provisions
21 of this chapter or are not appropriate to the health
22 and economic conditions which exist in this state."

By MERLIN E. BARTZ

S-5410 FILED APRIL 13, 2000

W/D

*4-17-00
(1182)*

SENATE FILE 2448

S-5432

1 Amend Senate File 2448 as follows:

2 1. Page 3, line 17, by inserting after the word
3 "year." the following: "If the department receives
4 applications for tax credit certificates in excess of
5 four million dollars, the applicants shall receive
6 certificates for a prorated amount."

7 2. Page 3, line 28, by striking the word "fuel"
8 and inserting the following: "fuel."

9 3. Page 3, by striking lines 29 and 30.

10 4. By striking page 11, line 24 through page 12,
11 line 19, and inserting the following:

12 "Sec. ____ . RENEWABLE REFORMULATED GASOLINE --
13 PROMOTIONAL AND EDUCATIONAL CAMPAIGN -- STUDY.

14 1. There is appropriated from the general fund of
15 the state to the department of agriculture and land
16 stewardship for the fiscal year beginning July 1,
17 2000, and ending June 30, 2001, the following amount,
18 or so much thereof as is necessary, to be used for the
19 purposes designated:

20 - For carrying out a renewable reformulated gasoline
21 promotional and educational campaign and study:

22 \$ 100,000

23 2. In carrying out this section, the department
24 shall provide participating retail dealers of motor
25 vehicle fuel as provided in chapter 214A with
26 promotional and educational information designed to
27 increase the demand for renewable reformulated
28 gasoline. The information shall be posted in a
29 printed format and located in a conspicuous place at
30 the point of sale. The information shall be in a form
31 that increases consumer awareness of renewable
32 reformulated gasoline, including but not limited to
33 signs or decals placed on motor vehicle fuel pumps,
34 including decals required pursuant to section 214A.16.

35 3. The office of renewable fuels and coproducts
36 created pursuant to section 159A.3 shall administer
37 this section together with other departmental
38 divisions as determined necessary by the secretary of
39 agriculture. The department may cooperate with
40 persons interested in increasing the demand for
41 ethanol in order to carry out this section.

42 4. The department shall submit a report to the
43 governor and the general assembly not later than March
44 1, 2001. The report shall include a summary of the
45 expenditure of moneys appropriated under this section,
46 the extent to which the promotional and educational
47 information increased demand, and any recommendations
48 for legislative action."

49 5. By renumbering as necessary.

By MERLIN E. BARTZ

S-5432 FILED APRIL 17, 2000

ADOPTED

(p. 1182)

SENATE FILE 2448
FISCAL NOTE

A fiscal note for Senate File 2448 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2448 establishes the Healthy Environmental and Value-Added Energy Initiative and adds several provisions to the Code of Iowa pertaining to value-added agricultural and the use and availability of renewable reformulated gasoline. The Bill includes the following provisions:

1. The Bill allows the New Jobs and Income Program a 10.0% investment tax credit to be sold by a qualified company, if the project for which the credit is allowed primarily involves value-added agriculture. The purchaser of the tax credits may use the credits to offset State personal income tax, corporate income tax, or financial institution franchise tax. The total amount of tax credits approved in a fiscal year is limited to \$4.0 million. The amount received by the seller for the tax credits is not taxable income, and the amount paid for the credits by the purchaser is not deductible. The Bill is effective July 1, 2000, and the tax credits cannot be used until the tax year following the year the project is completed.
2. Establishes numerous definitions including the different types of motor vehicle fuel.
3. Prohibits all but trace amounts of the fuel oxygenate enhancer, methyl tertiary butyl ether in fuel sold in Iowa.
4. By January 1, 2001, the Bill requires retail dealers of motor fuel to offer for sell renewable reformulated gasoline from at least one fuel pump at the site. By January 1, 2002, retail dealers are required to offer for sell renewable reformulated gasoline at the lowest grade of octane for which the retailer offers for conventional gasoline. The Bill also provides certain exemptions from these requirements in certain instances.
5. The Bill establishes a civil penalty of \$100 per day for noncompliance with the provisions requiring the sell of reformulated gasoline.
6. The Bill allows retail dealers to apply for reimbursement from the Remedial Account of the Underground Storage Tank Fund for the conversion of motor vehicle fuel storage tanks and associated piping if the tanks are not compatible for use with reformulated gasoline. The Bill allows up to \$10,000 for the conversion of tanks and \$3,000 for piping. Retail dealers are required to submit applications for tank conversion costs prior to January 1, 2001.
7. The Bill allows a fuel storage tank site to retain its classification as a "no further action site" following modifications necessary to store

reformulated gasoline.

8. The Bill appropriates \$25,000 from the General Fund to the Department of Agriculture and Land Stewardship for the purpose of conducting a study on increasing demand for reformulated gasoline by placing test decals on motor vehicle fuel pumps.

ASSUMPTIONS

1. Projects that primarily involve value-added agriculture currently qualify for New Jobs and Income Program investment tax credits equal to \$4.6 million per year. However, due to the lack of taxable income, the projects are only able to utilize \$2.3 million of those tax credits annually.
2. The Department of Economic Development will approve the first projects after the Bill's effective date of July 1, 2000, and the project completion dates of those projects will not occur until after December 31, 2000. Beginning with FY 2002, the full \$4.0 million per year in tax credits will be utilized.
3. In FY 1999, ethanol comprised approximately 42.0% of the gasoline market in Iowa. The Bill will likely increase the sell of ethanol blended fuels and result in an increase in the market share of ethanol. While a precise estimate of the market share increase cannot be determined, the following example shows the relationship between the change in the market share of ethanol, the Road Use Tax Fund, and federal highway funds. For every 10.0% increase in the market share of ethanol, there will be an estimated decrease of approximately \$1.4 million in fuel tax revenues deposited into the Road Use Tax Fund and a reduction of approximately \$1.0 million in federal Surface Transportation Program funding. Federal Surface Transportation Program funds are used by the State and local governments for improvements to roads on the Federal-aid highway system.
4. There are approximately 101 gasoline underground storage tanks at 60 sites in Iowa that are not warranted to store alcohol blended fuels. The fiscal estimate provides a range in the estimated tank replacement cost to the Remedial Account of the Underground Storage Tank Fund. The lower end of the range assumes one tank at each site is converted for the purpose of storing and dispensing ethanol. The upper end of the range assume all 101 tanks are converted.

FISCAL IMPACT

General Fund

Senate File 2448 will decrease FY 2001 General Fund tax revenues by an estimated \$850,000, which represents 50.0% of the tax credit currently unused. The Bill also appropriates \$25,000 from the General Fund in FY 2001 which will result in a total estimated impact to the General Fund of \$875,000 in FY 2001. Beginning with FY 2002, General Fund tax revenues will decrease by \$1.7 million per year. This amount is the difference between the amount of tax credit currently utilized and the \$4.0 million cap contained in the Bill.

Underground Storage Tank Fund

Senate File 2448 will result in reimbursements to owners of underground storage tanks from the Remedial Account of the Underground Storage Tank Fund of between \$780,000 and \$1.3 million.

Road Use Tax Fund

The effect of SF 2448 on the Road Use Tax Fund and federal highway funds cannot be estimated. However, should the Bill increase the market share of ethanol in Iowa, there would be a decrease in fuel tax revenues to the Road Use Tax Fund and in federal Surface Transportation Program funds apportioned to Iowa.

For every 10.0% increase in the market share of ethanol, there would be an estimated decrease of approximately \$1.4 million in fuel tax revenues deposited into the Road Use Tax Fund and a reduction of approximately \$1.0 million in federal Surface Transportation Program funds.

SOURCES

Department of Transportation
Department of Agriculture and Land Stewardship
Department of Natural Resources
Department of Economic Development

(LSB 7216SV, DLR)

FILED APRIL 10, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR

H-4/17/00 approp

SENATE FILE **2448**
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3226)

(AS AMENDED AND PASSED BY THE SENATE APRIL 17, 2000)

_____ - New Language by the Senate
* - Language Stricken by the Senate

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a health enhancement and value-added energy
2 initiative, providing for revenues, the expenditure of moneys,
3 and providing for penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2448

1 Section 1. HEAVEN INITIATIVE. This Act shall be known and
2 may be cited as the "Health Enhancement and Value-Added ENergy
3 Initiative."

4 1. The general assembly finds and declares all of the
5 following:

6 a. The waters of this state must be protected from methyl
7 tertiary butyl ether (MTBE), a gasoline additive which is a
8 possible carcinogen possessed of unique chemical properties
9 making it highly soluble and allowing it to migrate through
10 drinking water supplies.

11 b. The state must capture the greatest economic benefit
12 from opportunities created by industries manufacturing high
13 value-added products derived from abundant resources of this
14 state, which may be used to transform alternative motor
15 vehicle fuels into conventional motor vehicle fuels.

16 2. The purpose of this Act is to protect the public
17 health, protect the waters of this state, and strengthen the
18 state's economy by encouraging the manufacture of compatible
19 value-added products.

20 Sec. 2. Section 15.333, subsection 1, Code Supplement
21 1999, is amended to read as follows:

22 1. An eligible business may claim a corporate tax credit
23 up to a maximum of ten percent of the new investment which is
24 directly related to new jobs created by the location or
25 expansion of an eligible business under the program. Any
26 credit in excess of the tax liability for the tax year may be
27 credited to the tax liability for the following seven years or
28 until depleted, whichever occurs earlier. Subject to prior
29 approval by the department of economic development in
30 consultation with the department of revenue and finance, an
31 eligible business whose project primarily involves the
32 production of value-added agricultural products may elect to
33 transfer all or a portion of an unused tax credit to any other
34 person. A tax credit shall only be transferred once and the
35 transferee shall not make a subsequent transfer of the tax

1 credit. The transferee may use the amount of the tax credit
2 transferred against a tax liability imposed under chapter 422,
3 division II, III, or V for any tax year the original
4 transferor could have claimed the credit. If the business is
5 a partnership, subchapter S corporation, limited liability
6 company, or estate or trust electing to have the income taxed
7 directly to the individual, an individual may claim the tax
8 credit allowed. The amount claimed by the individual shall be
9 based upon the pro rata share of the individual's earnings of
10 the partnership, subchapter S corporation, limited liability
11 company, or estate or trust. For purposes of this section,
12 "new investment directly related to new jobs created by the
13 location or expansion of an eligible business under the
14 program" means the cost of machinery and equipment, as defined
15 in section 427A.1, subsection 1, paragraphs "e" and "j",
16 purchased for use in the operation of the eligible business,
17 the purchase price of which has been depreciated in accordance
18 with generally accepted accounting principles, and the cost of
19 improvements made to real property which is used in the
20 operation of the eligible business and which receives a
21 partial property tax exemption for the actual value added
22 under section 15.332.

23 1A. Any consideration received for a transfer of a tax
24 credit pursuant to subsection 1 shall not be included as
25 income under chapter 422, division II, III, or V. Any
26 consideration paid for a transfer of a tax credit pursuant to
27 subsection 1 shall not be deducted from income under chapter
28 422, division II, III, or V. The amount of the new investment
29 directly related to new jobs created by the location or
30 expansion of an eligible business under the program which
31 equals the tax credit claimed shall not be deducted by the
32 transferor from income under chapter 422, division II, III, or
33 V.

34 1B. An eligible business whose project primarily involves
35 the production of value-added agricultural products shall

1 apply to the department of economic development for tax credit
2 certificates. An eligible business whose project primarily
3 involves the production of value-added agricultural products
4 shall not claim a tax credit under this section unless a tax
5 credit certificate issued by the department of economic
6 development is attached to the taxpayer's tax return for the
7 tax year during which the tax credit is claimed. A tax credit
8 certificate shall not be redeemed until the tax year following
9 the date of the project completion. However, in no case shall
10 a tax credit certificate be redeemed earlier than July 1,
11 2002. A tax credit certificate shall contain the taxpayer's
12 name, address, tax identification number, the date of project
13 completion, the amount of the tax credit, other information
14 required by the department of revenue and finance, and a place
15 for the name and tax identification number of a transferee and
16 the amount of the tax credit being transferred. The
17 department of economic development shall not issue tax credit
18 certificates which total more than four million dollars during
19 a fiscal year. If the department receives applications for
20 tax credit certificates in excess of four million dollars, the
21 applicants shall receive certificates for a prorated amount.

22 Sec. 3. Section 214A.1, Code 1999, is amended by adding
23 the following new subsections:

24 NEW SUBSECTION. 00. "Advertise" means the same as defined
25 in section 190C.1.

26 NEW SUBSECTION. 1A. "Conventional gasoline" means
27 gasoline other than renewable reformulated gasoline.

28 NEW SUBSECTION. 2A. "Motor vehicle fuel pump" or "pump"
29 means the same as defined in section 214.1.

30 NEW SUBSECTION. 2B. "Motor vehicle fuel storage tank" or
31 "tank" means an aboveground or belowground container that is a
32 fixture, used to keep an accumulation of motor vehicle fuel.

* 33 NEW SUBSECTION. 2C. "Motor vehicle fuel storage tank
34 equipment" means a motor vehicle fuel storage tank, motor
35 vehicle fuel storage tank piping, or a motor vehicle fuel

1 pump.

2 NEW SUBSECTION. 2D. "Motor vehicle fuel storage tank
3 piping" means any rigid or flexible piping used to transport
4 motor vehicle fuel from a motor vehicle fuel storage tank to a
5 motor vehicle fuel pump.

6 NEW SUBSECTION. 2E. "MTBE" means methyl tertiary butyl
7 ether.

8 NEW SUBSECTION. 3A. "Renewable fuel" means an energy
9 source which is derived from an agricultural commodity capable
10 of powering machinery, including an engine or power plant.

11 NEW SUBSECTION. 3B. "Renewable reformulated gasoline"
12 means gasoline that contains an oxygenate octane enhancer
13 which is a renewable fuel.

14 NEW SUBSECTION. 4A. "Sell" means to sell or to offer for
15 sale.

16 NEW SUBSECTION. 4B. "Site" means the premises of a retail
17 dealer where a tank is used to serve a connecting motor
18 vehicle fuel pump.

19 Sec. 4. Section 214A.2, subsection 1, Code Supplement
20 1999, is amended by adding the following new unnumbered
21 paragraph:

22 NEW UNNUMBERED PARAGRAPH. The department shall not use
23 Reid vapor pressure tests more frequently to test renewable
24 reformulated gasoline than customarily required to test
25 conventional gasoline.

26 Sec. 5. Section 214A.2, subsection 3, Code Supplement
27 1999, is amended by striking the subsection and inserting in
28 lieu thereof the following:

29 3. A person shall not sell gasoline containing ethanol in
30 this state by advertising that the gasoline is a renewable
31 reformulated gasoline, unless the gasoline contains at least
32 ten percent ethanol by volume.

33 Sec. 6. Section 214A.2, subsection 4, Code Supplement
34 1999, is amended to read as follows:

35 4. Gasoline Motor vehicle fuel shall not contain methanol

1 ~~without an equal amount of cosolvent, and shall not contain~~
2 ~~more than five percent methanol~~ more than trace amounts of
3 MTBE, as provided in section 214A.18.

4 Sec. 7. Section 214A.11, Code 1999, is amended to read as
5 follows:

6 214A.11 VIOLATIONS.

7 1. ~~Any A person violating the~~ who violates provisions of
8 this chapter ~~shall be~~ other than section 214A.16A is guilty of
9 a simple misdemeanor.

10 2. A retail dealer who violates section 214A.16A is
11 subject to a civil penalty of not more than one hundred
12 dollars. Each day that a violation continues constitutes a
13 separate offense.

14 a. The department shall issue an order assessing a civil
15 penalty against a retail dealer acting in violation of section
16 214A.16A. The order shall include the amount of the civil
17 penalty. The civil penalty shall be paid in accordance with
18 rules adopted by the department pursuant to chapter 17A and as
19 provided in the order, unless the person institutes a
20 contested case proceeding as provided in chapter 17A.

21 b. A retail dealer who fails to timely pay a civil penalty
22 assessed by a final order of the department shall pay, in
23 addition to the amount of the civil penalty, interest at the
24 rate of one and one-half percent of the unpaid balance of the
25 assessed civil penalty for each month or part of a month that
26 the penalty remains unpaid.

27 c. When a retail dealer against whom a civil penalty is
28 assessed under this section seeks timely judicial review, as
29 provided under chapter 17A, of an order imposing the civil
30 penalty, the order is not final for the purposes of this
31 section until all judicial review processes are completed.

32 d. The attorney general shall institute, at the request of
33 the department, legal proceedings in the county in which the
34 violation occurred in order to recover the civil penalty and
35 any accrued interest.

1 e. The civil penalty assessed by the department and
2 interest on the civil penalty shall be deposited in the
3 general fund of the state.

4 Sec. 8. Section 214A.16, Code 1999, is amended to read as
5 follows:

6 214A.16 NOTICE OF BLENDED FUEL -- DECAL.

7 ~~All~~ If motor vehicle fuel kept, offered, or exposed for
8 sale, or sold at retail containing over one percent ethanol,
9 methanol, or any combination of oxygenate octane enhancers
10 shall be identified as "with" either "ethanol" or "methanol",
11 "ethanol/methanol", or similar wording on containing a
12 renewable fuel is sold from a motor vehicle fuel pump, the
13 pump shall have affixed a decal identifying the name of the
14 renewable fuel. ~~All~~ diesel fuel kept, offered, or exposed for
15 sale, or sold at retail containing over one percent soybean
16 oil by volume shall be identified as "with soydiesel" or
17 similar wording on a decal. The decal may be different based
18 on the type of renewable fuel used. The design and location
19 of the decal decal shall be prescribed by rules adopted by
20 the department. ~~The department shall adopt the rules to be~~
21 ~~effective by January 1, 1995.~~ A decal identifying a renewable
22 fuel shall be consistent with standards adopted pursuant to
23 section 159A.6. ~~Until the department establishes standards~~
24 ~~for decals, the wording shall be on a white adhesive decal~~
25 ~~with black letters at least one-half inch high and at least~~
26 ~~one-quarter inch wide placed between thirty and forty inches~~
27 ~~above the driveway level on the front sides of any container~~
28 ~~or pump from which the motor fuel is sold.~~ The department may
29 approve an application to place a decal in a special location
30 on a pump or container or use a decal with special lettering
31 or colors, if the decal appears clear and conspicuous to the
32 consumer. The application shall be made in writing pursuant
33 to procedures adopted by the department. ~~Designs for a decal~~
34 ~~identifying a renewable fuel shall be consistent with~~
35 ~~standards adopted pursuant to section 159A.6.~~

1 Sec. 9. NEW SECTION. 214A.16A RENEWABLE REFORMULATED
2 GASOLINE -- AVAILABILITY REQUIRED.

3 1. Except as provided in this section, a retail dealer
4 shall not sell conventional gasoline at a site, unless the
5 retail dealer also sells renewable reformulated gasoline at
6 that site. A retail dealer required to sell renewable
7 reformulated gasoline must operate at least one motor vehicle
8 fuel pump that dispenses renewable reformulated gasoline at
9 the same site where the retail dealer operates a motor vehicle
10 fuel pump that dispenses conventional gasoline.

11 2. a. This section does not apply to the extent that a
12 retail dealer cannot sell renewable reformulated gasoline at a
13 site because the motor vehicle fuel storage tank equipment
14 located on the site is not compatible with storing and
15 dispensing renewable reformulated gasoline.

16 b. This section does not require a retail dealer to sell
17 renewable reformulated gasoline at a site if the site has only
18 one single undivided motor vehicle fuel storage tank.

19 c. This section does not require a retail dealer to cease
20 selling conventional gasoline during any period when the
21 retail dealer cannot sell renewable reformulated gasoline due
22 to any of the following:

23 (1) A wholesale dealer fails to supply the retail dealer
24 with renewable reformulated gasoline on a timely basis. This
25 subparagraph does not apply if the retail dealer and the
26 wholesale dealer are the same person.

27 (2) A temporary depletion of the retail dealer's renewable
28 reformulated gasoline inventory. This subparagraph does not
29 apply if the retail dealer stores conventional gasoline in the
30 depleted tank.

31 (3) A communication, including the issuance of an order or
32 letter, by a federal or state agency, including the United
33 States environmental protection agency, the department of
34 natural resources, or the department of agriculture and land
35 stewardship, requiring or requesting that the retail dealer

1 cease using a motor vehicle fuel storage tank storing
2 renewable reformulated gasoline or related motor vehicle fuel
3 storage tank equipment. This subparagraph does not apply once
4 the terms of the communication have expired.

5 (4) A motor vehicle fuel storage tank used to store
6 renewable reformulated gasoline or related motor vehicle fuel
7 storage tank equipment cannot function because of repair,
8 replacement, or maintenance. This subparagraph does not apply
9 after the tank or related equipment has been repaired,
10 replaced, or maintained or should have been repaired,
11 replaced, or maintained within a period customary for that
12 type of repair, replacement, or maintenance.

13 3. The department shall adopt pursuant to chapter 17A all
14 rules necessary in order to administer this section.

15 Sec. 10. NEW SECTION. 214A.18 MTBE PROHIBITION.

16 1. A person shall not do any of the following:

17 a. Sell motor vehicle fuel containing more than trace
18 amounts of MTBE in this state.

19 b. Store motor vehicle fuel containing more than trace
20 amounts of MTBE in a motor vehicle fuel storage tank located
21 in this state.

22 2. As used in this section, "trace amounts" means not more
23 than one-half of one percent by volume.

24 Sec. 11. Section 214A.19, subsection 1, unnumbered
25 paragraph 1, Code 1999, is amended to read as follows:

26 The department of natural resources, conditioned upon the
27 availability of funds, is authorized to award demonstration
28 grants to persons who purchase vehicles which operate on
29 alternative fuels, including but not limited to, high-blend
30 ethanol renewable reformulated gasoline which contains more
31 than thirteen percent ethanol, compressed natural gas,
32 electricity, solar energy, or hydrogen. A grant shall be for
33 the purpose of conducting research connected with the fuel or
34 the vehicle, and not for the purchase of the vehicle itself,
35 except that the money may be used for the purchase of the

1 vehicle if all of the following conditions are satisfied:

2 Sec. 12. Section 455G.9, subsection 1, Code Supplement
3 1999, is amended by adding the following new paragraph:

4 NEW PARAGRAPH. k. Up to one hundred percent of the costs
5 necessary to reimburse the owner or operator for costs
6 associated with converting a motor vehicle fuel storage tank
7 or storage tank piping used to store and dispense renewable
8 reformulated gasoline from a storage tank to a motor vehicle
9 fuel pump as required pursuant to chapter 214A, pursuant to
10 section 455G.23. However, the owner or operator shall not be
11 reimbursed more than ten thousand dollars for converting a
12 motor vehicle fuel storage tank or more than three thousand
13 dollars for converting storage tank piping.

14 Sec. 13. NEW SECTION. 455G.23 CONVERSION NECESSARY TO
15 STORE AND DISPENSE RENEWABLE REFORMULATED GASOLINE.

16 1. As used in this section:

17 a. "Conventional gasoline" means conventional blended
18 gasoline as defined in section 214A.1.

19 b. "Motor vehicle fuel storage tank" or "tank" means the
20 same as defined in section 214A.1.

21 c. "Motor vehicle fuel storage tank equipment" means the
22 same as defined in section 214A.1.

23 d. "Motor vehicle fuel storage tank piping" means the same
24 as defined in section 214A.1.

25 e. "Renewable reformulated gasoline" means the same as
26 defined in section 214A.1.

27 f. "Site" means the same as defined in section 214A.1.

28 2. The board shall establish a program to reimburse the
29 owner or operator of a site for costs necessary to convert
30 motor vehicle fuel storage tank equipment for use in storing
31 or dispensing renewable reformulated gasoline as provided
32 pursuant to chapter 214A. The conversion may be in the form
33 of the replacement of or modifications in the motor vehicle
34 fuel storage tank equipment.

35 3. In order to be eligible for reimbursement, all of the

1 following must apply:

2 a. The motor vehicle fuel storage tank equipment is
3 located at a site.

4 b. The site must comply with federal and state standards
5 governing new or upgraded motor vehicle fuel storage tank
6 equipment.

7 4. The owner or operator shall apply to the board in a
8 manner and according to procedures required by the board. The
9 application shall contain all information required by the
10 board and shall at least include all of the following:

11 a. The name of the owner or operator and the address of
12 the site.

13 b. A detailed description of the motor vehicle fuel
14 storage tank equipment, including all of the following:

15 (1) The location of the motor vehicle fuel storage tank
16 equipment on the site.

17 (2) The date that the motor vehicle fuel storage tank
18 equipment was installed on the site.

19 (3) The model number of the motor vehicle fuel storage
20 tank equipment, if available.

21 (4) A statement that the conversion necessary to store
22 renewable reformulated gasoline in the motor vehicle fuel
23 storage tank or to dispense renewable reformulated gasoline
24 using motor vehicle fuel storage tank piping has not begun or
25 been completed since the date of installation.

26 c. One of the following:

27 (1) A statement certified by the manufacturer of the motor
28 vehicle fuel storage tank equipment verifying that the motor
29 vehicle fuel storage tank equipment is not warranted for the
30 storage or dispensing of renewable reformulated gasoline.

31 (2) A letter signed by an agent or representative of two
32 property and casualty insurers of motor vehicle fuel storage
33 tank equipment recognized by the board. Each letter must
34 state that the motor vehicle fuel storage tank equipment is
35 not insurable for the storage or dispensing of renewable

1 reformulated gasoline under policies customarily issued by the
2 insurer covering motor vehicle fuel storage tank equipment.

3 5. A site classified as a no further action site pursuant
4 to a certificate issued by the department under section
5 455B.474 shall retain its classification following
6 modifications necessary to store and dispense renewable
7 reformulated gasoline, and the owner-operator shall not be
8 required to perform a new site assessment unless the site
9 causes a clear, present, and impending danger to the public
10 health or the environment.

11 6. The board shall not accept an application for
12 reimbursement of conversion costs as provided in this section
13 on or after July 1, 2002.

14 Sec. 14. RENEWABLE REFORMULATED GASOLINE -- PROMOTIONAL
15 AND EDUCATIONAL CAMPAIGN -- STUDY.

16 1. There is appropriated from the general fund of the
17 state to the department of agriculture and land stewardship
18 for the fiscal year beginning July 1, 2000, and ending June
19 30, 2001, the following amount, or so much thereof as is
20 necessary, to be used for the purposes designated:

21 For carrying out a renewable reformulated gasoline
22 promotional and educational campaign and study:
23 \$ 100,000

24 2. In carrying out this section, the department shall
25 provide participating retail dealers of motor vehicle fuel as
26 provided in chapter 214A with promotional and educational
27 information designed to increase the demand for renewable
28 reformulated gasoline. The information shall be posted in a
29 printed format and located in a conspicuous place at the point
30 of sale. The information shall be in a form that increases
31 consumer awareness of renewable reformulated gasoline,
32 including but not limited to signs or decals placed on motor
33 vehicle fuel pumps, including decals required pursuant to
34 section 214A.16.

35 3. The office of renewable fuels and coproducts created

1 pursuant to section 159A.3 shall administer this section
2 together with other departmental divisions as determined
3 necessary by the secretary of agriculture. The department may
4 cooperate with persons interested in increasing the demand for
5 ethanol in order to carry out this section.

6 4. The department shall submit a report to the governor
7 and the general assembly not later than March 1, 2001. The
8 report shall include a summary of the expenditure of moneys
9 appropriated under this section, the extent to which the
10 promotional and educational information increased demand, and
11 any recommendations for legislative action.

12 Sec. 15. 1999 Iowa Acts, chapter 204, section 15,
13 subsection 4, paragraph a, is amended by striking the
14 paragraph.

15 Sec. 16. INTERIM STUDY. The legislative council is
16 requested to establish an interim study committee. The study
17 committee shall consider the availability of motor vehicle
18 fuel with levels of octane customarily used to combine with
19 alcohol in order to produce renewable reformulated gasoline as
20 provided in chapter 214A as amended by this Act. The study
21 committee is directed to submit its findings, together with
22 any recommendations, in a report to the general assembly which
23 convenes in January 2001, as required by the legislative
24 council.

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**SENATE FILE 2448
FISCAL NOTE**

A fiscal note for Senate File 2448 as passed by the Senate is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2448 as passed by the Senate establishes the Healthy Environmental and Value-Added Energy Initiative and adds several provisions to the Code of Iowa pertaining to value-added agricultural and the use and availability of renewable reformulated gasoline. The Bill includes the following provisions:

1. The Bill allows the New Jobs and Income Program a 10.0% investment tax credit to be sold by a qualified company, if the project for which the credit is allowed primarily involves value-added agriculture. The purchaser of the tax credits may use the credits to offset State personal income tax, corporate income tax, or financial institution franchise tax. The total amount of tax credits approved in a fiscal year is limited to \$4.0 million. The amount received by the seller for the tax credits is not taxable income, and the amount paid for the credits by the purchaser is not deductible. The tax credits cannot be redeemed until the tax year following the year the project is completed. The Bill specifies that no tax credit certificates can be redeemed before July 1, 2002.
2. Establishes numerous definitions including the different types of motor vehicle fuel.
3. Prohibits all but trace amounts of the fuel oxygenate enhancer, methyl tertiary butyl ether in fuel sold in Iowa.
4. By July 1, 2000, the Bill requires retail dealers of motor fuel to offer for sell renewable reformulated gasoline from at least one fuel pump at the site. The Bill also provides certain exemptions from these requirements in certain instances.
5. The Bill establishes a civil penalty of \$100 per day for noncompliance with the provisions requiring the sell of reformulated gasoline.
6. The Bill allows retail dealers to apply for reimbursement from the Remedial Account of the Underground Storage Tank Fund for the conversion of motor vehicle fuel storage tanks and associated piping if the tanks are not compatible for use with reformulated gasoline. The Bill allows up to \$10,000 for the conversion of tanks and \$3,000 for piping. Retail dealers are required to submit applications for tank conversion costs prior to July 1, 2002.
7. The Bill allows a fuel storage tank site to retain its classification as a "no further action site" following modifications necessary to store reformulated gasoline.

8. The Bill appropriates \$100,000 from the General Fund to the Department of Agriculture and Land Stewardship for the purpose of conducting an educational and promotional campaign and study to increase demand for reformulated gasoline.

ASSUMPTIONS

1. Projects that primarily involve value-added agriculture currently qualify for New Jobs and Income Program investment tax credits equal to \$4.6 million per year. However, due to the lack of taxable income, the projects are only able to utilize \$2.3 million of those tax credits annually.
2. The Department of Economic Development will approve the first projects after the Bill's effective date of July 1, 2000, and the project completion dates of those projects will not occur until after July 1, 2001. Beginning with FY 2002, the full \$4.0 million per year in tax credits will be utilized.
3. In FY 1999, ethanol comprised approximately 42.0% of the gasoline market in Iowa. The Bill may increase the sell of ethanol blended fuels and result in an increase in the market share of ethanol. While a precise estimate of the market share increase cannot be determined, the following example shows the relationship between the change in the market share of ethanol, the Road Use Tax Fund, and federal highway funds. For every 10.0% increase in the market share of ethanol, there will be an estimated decrease of approximately \$1.4 million in fuel tax revenues deposited into the Road Use Tax Fund and a reduction of approximately \$1.0 million in federal Surface Transportation Program funding. Federal Surface Transportation Program funds are used by the State and local governments for improvements to roads on the Federal-aid Highway System.
4. There are approximately 101 gasoline underground storage tanks at 60 sites in Iowa that are not warranted to store alcohol blended fuels. The fiscal estimate provides a range in the estimated tank replacement cost to the Remedial Account of the Underground Storage Tank Fund. The lower end of the range assumes one tank at each site is converted for the purpose of storing and dispensing ethanol. The upper end of the range assume all 101 tanks are converted.

FISCAL IMPACT

General Fund

Senate File 2448 as passed by the Senate appropriates \$100,000 from the General Fund in FY 2001 to the Department Agriculture and Land Stewardship.

Beginning in FY 2003, the Bill will decrease General Fund tax revenues estimated \$1.7 million annually. This amount is the difference between the amount of tax credit currently utilized and the \$4.0 million cap contained in the Bill.

Underground Storage Tank Fund

Senate File 2448 as passed by the Senate will result in reimbursements to owners of underground storage tanks from the Remedial Account of the Underground Storage Tank Fund of between \$780,000 and \$1.3 million.

Road Use Tax Fund

The effect of SF 2448 on the Road Use Tax Fund and federal highway funds cannot be estimated. However, should the Bill increase the market share of ethanol in Iowa, there would be a decrease in fuel tax revenues to the Road Use Tax Fund and in federal Surface Transportation Program funds apportioned to Iowa.

For every 10.0% increase in the market share of ethanol, there would be an estimated decrease of approximately \$1.4 million in fuel tax revenues deposited into the Road Use Tax Fund and a reduction of approximately \$1.0 million in federal Surface Transportation Program funds.

SOURCES

Department of Transportation
Department of Agriculture and Land Stewardship
Department of Natural Resources
Department of Economic Development

(LSB 7216sv.2, DLR)

FILED APRIL 19, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR