

3/20/00 Referred back to agri.

FILED FEB 28 '00

SENATE FILE **2356**
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO LSB 6982XC)

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

A BILL FOR

1 An Act prohibiting the use of methyl tertiary butyl ether,
2 eliminating a conflicting provision, making penalties
3 applicable, and providing an effective date.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

SF 2356

1 Section 1. Section 214A.1, Code 1999, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 2A. "Motor vehicle fuel tank" means a
4 storage structure fixed to the land, including but not limited
5 to an underground storage tank subject to regulation under
6 chapter 455G or an aboveground petroleum storage tank as
7 defined in section 101.21.

8 NEW SUBSECTION. 2B. "MTBE" means methyl tertiary butyl
9 ether.

10 Sec. 2. Section 214A.2, subsection 4, Code Supplement
11 1999, is amended to read as follows:

12 4. Gasoline Motor vehicle fuel shall not contain methanol
13 without-an-equal-amount-of-cosolvent-and-shall-not-contain
14 more-than-five-percent-methanol more than trace amounts of
15 methyl tertiary butyl ether, as provided in section 214A.18.

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

18 214A.16 NOTICE OF BLENDED FUEL -- DECAL.

19 All motor vehicle fuel kept, offered, or exposed for sale,
20 or sold at retail containing over one percent ethanol
21 methanol-or-any-combination-of oxygenate octane enhancers,
22 including but not limited to ethanol, shall be identified as
23 "with-either-ethanol-methanol-ethanol/methanol-or
24 similar wording on a decal with the name of the oxygenate
25 octane enhancer. All diesel fuel kept, offered, or exposed
26 for sale, or sold at retail containing over one percent
27 soybean oil by volume shall be identified as "with-soydiesel"
28 or-similar wording containing soybean oil on a decal. The
29 contents, design, and location of the decals shall be
30 prescribed by rules adopted by the department. The-department
31 shall-adopt-the-rules-to-be-effective-by-January-17-1995. A
32 decal identifying a renewable fuel shall be consistent with
33 standards adopted pursuant to section 159A.6. Until-the
34 department-establishes-standards-for-decals-the-wording-shall
35 be-on-a-white-adhesive-decal-with-black-letters-at-least-one-

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

12 Sec. 4. NEW SECTION. 214A.18 MTBE PROHIBITION.

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

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

16 b. Store motor vehicle fuel containing more than trace
17 amounts of MTBE in a motor vehicle fuel tank located in this
18 state.

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

21 Sec. 5. 1999 Iowa Acts, chapter 204, section 15,
22 subsection 4, paragraph a, is amended by striking the
23 paragraph.

24 Sec. 6. EFFECTIVE DATE. This Act takes effect July 1,
25 2001.

26 EXPLANATION -

27 In 1999, the general assembly enacted House File 772 (1999
28 Iowa Acts, chapter 204), which in part provides that on or
29 after February 1, 2000, a retail dealer of motor vehicle fuel
30 is prohibited from offering for sale in this state fuel that
31 contains more than 2 percent of methyl tertiary butyl ether
32 (MTBE) by volume. The provision is uncodified.

33 This bill eliminates the provision in the Acts and codifies
34 similar requirements in new Code section 214A.18. The bill
35 prohibits a person from selling or storing MTBE, other than in

1 trace amounts, for use in motor vehicle fuel in this state.

2 The bill also amends provisions which provide requirements
3 for decals identifying oxygenate enhancers, including
4 methanol.

5 Generally, a person who violates provisions in the bill
6 would be subject to a simple misdemeanor penalty.

7 The bill takes effect on July 1, 2001.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

**SENATE FILE 2356
FISCAL NOTE**

A fiscal note for Senate File 2356 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.

BACKGROUND

Senate File 2356 amends Section 214A, subsection 16, Code of Iowa, Notice of Blended Fuel - Decal and prohibits the selling or storage of motor vehicle fuels containing more than a trace amount of methyl tertiary butyl ether (MTBE).

ASSUMPTIONS

1. Enforcement of this Bill will require the Department of Agriculture and Land Stewardship to purchase four Zeltex ZX-440 Near-Infrared Liquid Fuel Analyzers to test for MTBE and other characteristics of fuel. The one-time cost of the fuel analyzers are \$84,000.
2. The Laboratory Division of the department will be required to increase the number of samples taken for analysis of MTBE levels.
3. Reference samples of petroleum products for calibrations of changing seasonal characteristics will be required at least four times a year.
4. The annual support costs of acquiring the needed number of increased petroleum samples to implement this Bill includes; \$9,000 for depreciation on the four fuel analyzers, \$20,000 for increased travel costs, \$5,000 for the increased cost of fuel for travel, and \$8,000 for outside laboratory analysis for seasonal characteristics.
5. The division will require \$4,000 for a computer and software for FY 2001.

FISCAL IMPACT

Senate File 2356 is expected to have an impact on the General Fund of \$128,000 in FY 2001 and \$41,000 in FY 2002.

SOURCE

Department of Agriculture and Land Stewardship

(LSB 6982SV, SKW)

FILED MARCH 7, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR