

Senate Study Bill 3226

Bill Text

PAG LIN

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

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

1 6 a. A significant amount of this state's air pollution is
1 7 caused by vehicles emitting a variety of petroleum-based
1 8 pollutants, including benzene and other aromatics, nitrous
1 9 oxides, particulate matter in the forms of smoke and soot,
1 10 carbon monoxide, and carbon dioxide.

1 11 b. The state must capture the greatest benefit from
1 12 opportunities created by industries manufacturing high value-
1 13 added products derived from abundant resources of this state,
1 14 which may be used to transform alternative motor vehicle fuels
1 15 into conventional motor vehicle fuels.

1 16 2. The purpose of this Act is to protect the public
1 17 health, preserve this state's natural environment, and
1 18 encourage the manufacture of compatible value-added products.

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

1 21 1. An eligible business may claim a corporate tax credit
1 22 up to a maximum of ten percent of the new investment which is
1 23 directly related to new jobs created by the location or
1 24 expansion of an eligible business under the program. Any
1 25 credit in excess of the tax liability for the tax year may be
1 26 credited to the tax liability for the following seven years or
1 27 until depleted, whichever occurs earlier. Subject to prior
1 28 approval by the department of economic development in
1 29 consultation with the department of revenue and finance, an
1 30 eligible business whose project primarily involves the
1 31 production of value-added agricultural products may elect to
1 32 transfer all or a portion of an unused tax credit to any other
1 33 person. A tax credit shall only be transferred once and the
1 34 transferee shall not make a subsequent transfer of the tax
1 35 credit. The transferee may use the amount of the tax credit
2 1 transferred against a tax liability imposed under chapter 422,
2 2 division II, III, or V for any tax year the original
2 3 transferor could have claimed the credit. If the business is
2 4 a partnership, subchapter S corporation, limited liability
2 5 company, or estate or trust electing to have the income taxed
2 6 directly to the individual, an individual may claim the tax
2 7 credit allowed. The amount claimed by the individual shall be
2 8 based upon the pro rata share of the individual's earnings of
2 9 the partnership, subchapter S corporation, limited liability
2 10 company, or estate or trust. For purposes of this section,
2 11 "new investment directly related to new jobs created by the
2 12 location or expansion of an eligible business under the
2 13 program" means the cost of machinery and equipment, as defined
2 14 in section 427A.1, subsection 1, paragraphs "e" and "j",
2 15 purchased for use in the operation of the eligible business,
2 16 the purchase price of which has been depreciated in accordance
2 17 with generally accepted accounting principles, and the cost of
2 18 improvements made to real property which is used in the
2 19 operation of the eligible business and which receives a
2 20 partial property tax exemption for the actual value added
2 21 under section 15.332.

2 22 1A. Any consideration received for a transfer of a tax
2 23 credit pursuant to subsection 1 shall not be included as
2 24 income under chapter 422, division II, III, or V. Any
2 25 consideration paid for a transfer of a tax credit pursuant to
2 26 subsection 1 shall not be deducted from income under chapter
2 27 422, division II, III, or V. The amount of the new investment
2 28 directly related to new jobs created by the location or
2 29 expansion of an eligible business under the program which
2 30 equals the tax credit claimed shall not be deducted by the
2 31 transferor from income under chapter 422, division II, III, or
2 32 V.

2 33 1B. An eligible business whose project primarily involves
2 34 the production of value-added agricultural products shall
2 35 apply to the department of economic development for tax credit
3 1 certificates. An eligible business whose project primarily
3 2 involves the production of value-added agricultural products
3 3 shall not claim a tax credit under this section unless a tax
3 4 credit certificate issued by the department of economic
3 5 development is attached to the taxpayer's tax return for the
3 6 tax year during which the tax credit is claimed. A tax credit
3 7 certificate shall not be valid until the tax year following
3 8 the date of the project completion. A tax credit certificate
3 9 shall contain the taxpayer's name, address, tax identification
3 10 number, the date of project completion, the amount of the tax
3 11 credit, other information required by the department of
3 12 revenue and finance, and a place for the name and tax
3 13 identification number of a transferee and the amount of the
3 14 tax credit being transferred. The department of economic
3 15 development shall not issue tax credit certificates which
3 16 total more than two million dollars during a fiscal year.

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

3 19 NEW SUBSECTION. 1A. "Conventional gasoline" means
3 20 gasoline other than renewable reformulated gasoline.

3 21 NEW SUBSECTION. 2A. "Motor vehicle fuel pump" or "pump"
3 22 means the same as defined in section 214.1.

3 23 NEW SUBSECTION. 2B. "Motor vehicle fuel storage tank" or
3 24 "tank" means an aboveground or belowground container that is a
3 25 fixture, used to keep an accumulation of motor vehicle fuel,
3 26 and which is operated by a retailer dealer for dispensing
3 27 motor vehicle fuel to customers.

3 28 NEW SUBSECTION. 2C. "Motor vehicle fuel storage tank
3 29 equipment" means a motor vehicle fuel storage tank, motor
3 30 vehicle fuel storage tank piping, or a motor vehicle fuel
3 31 pump.

3 32 NEW SUBSECTION. 2D. "Motor vehicle fuel storage tank
3 33 piping" means any rigid or flexible piping used to transport
3 34 motor vehicle fuel from a motor vehicle fuel storage tank to a
3 35 motor vehicle fuel pump.

4 1 NEW SUBSECTION. 2E. "MTBE" means methyl tertiary butyl
4 2 ether.

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

4 6 NEW SUBSECTION. 3B. "Renewable fuel" means an energy
4 7 source which is derived from an organic compound capable of
4 8 powering machinery, including an engine or power plant.

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

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

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

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

4 18 1. a. The

~~secretary~~

- department shall adopt rules pursuant
4 19 to chapter 17A for carrying out this chapter. The rules

~~may~~

- 4 20 shall include, but are not limited to, establishing
4 21 specifications relating to motor vehicle fuel or oxygenate
4 22 octane enhancers.
4 23 b. In the interest of uniformity, the

~~secretary~~

- department
4 24 shall adopt rules, by reference or otherwise, to establish
4 25 specifications relating to tests and standards for motor
4 26 vehicle fuel or oxygenate octane enhancers

~~, established~~

~~The~~

4 27 specifications shall be based on those established by the
4 28 American society for testing and materials (A.S.T.M.), unless
4 29 the

~~secretary~~

- department determines that those specifications
4 30 are inconsistent with this chapter or are not appropriate to
4 31 the conditions which exist in this state.
4 32 c. The department shall not use Reid vapor pressure tests
4 33 more frequently to test conventional blended gasoline than
4 34 customarily required to test unblended gasoline.
4 35 Sec. 5. Section 214A.2, subsection 3, Code Supplement
5 1 1999, is amended by striking the subsection, and inserting the
5 2 following:
5 3 3. A person shall not sell gasoline containing ethanol in
5 4 this state by advertising that the gasoline is a renewable
5 5 reformulated gasoline, unless the gasoline contains at least
5 6 ten percent ethanol by volume.
5 7 Sec. 6. Section 214A.2, subsection 4, Code Supplement
5 8 1999, is amended to read as follows:
5 9 4.

~~Gasoline~~

- Motor vehicle fuel shall not contain

~~methanol~~

5 10

~~without an equal amount of cosolvent, and shall not contain~~

5 11

~~more than five percent methanol~~

- more than trace amounts of

5 12 MTBE, as provided in section 214A.18.

5 13 Sec. 7. Section 214A.11, Code 1999, is amended to read as
5 14 follows:

5 15 214A.11 VIOLATIONS.

5 16 1.

~~Any~~

- A person

~~violating the~~

- who violates provisions of
5 17 this chapter

~~shall be~~

~~other than section 214A.16A is guilty of~~

5 18 a simple misdemeanor.

5 19 2. A retail dealer who violates section 214A.16A is

5 20 subject to a civil penalty of not more than one hundred

5 21 dollars. Each day that a violation continues constitutes a

5 22 separate offense.

5 23 a. The department shall issue an order assessing a civil

5 24 penalty against a retail dealer acting in violation of section

5 25 214A.16A. The order shall include the amount of the civil

5 26 penalty. The civil penalty shall be paid in accordance with

5 27 rules adopted by the department pursuant to chapter 17A and as

5 28 provided in the order, unless the person institutes a

5 29 contested case proceeding as provided in chapter 17A.

5 30 b. A retail dealer who fails to timely pay a civil penalty

5 31 assessed by a final order of the department shall pay, in

5 32 addition to the amount of the civil penalty, interest at the

5 33 rate of one and one-half percent of the unpaid balance of the

5 34 assessed civil penalty for each month or part of a month that

5 35 the penalty remains unpaid.

6 1 c. When a retail dealer against whom a civil penalty is

6 2 assessed under this section seeks timely judicial review, as

6 3 provided under chapter 17A, of an order imposing the civil

6 4 penalty, the order is not final for the purposes of this

6 5 section until all judicial review processes are completed.

6 6 d. The attorney general shall institute, at the request of

6 7 the department, legal proceedings in the county in which the

6 8 violation occurred in order to recover the civil penalty and

6 9 any accrued interest.

6 10 e. The civil penalty assessed by the department and

6 11 interest on the civil penalty shall be deposited in the

6 12 general fund of the state.

6 13 Sec. 8. Section 214A.16, Code 1999, is amended to read as

6 14 follows:

6 15 214A.16 NOTICE OF BLENDED FUEL DECAL.

6 16

~~All~~

~~If motor vehicle fuel~~

~~kept, offered, or exposed for~~

6 17

~~sale, or sold at retail containing over one percent ethanol,~~

6 18

~~methanol, or any combination of oxygenate octane enhancers~~

6 19

~~shall be identified as "with" either "ethanol", "methanol",~~

6 20

~~"ethanol/methanol", or similar wording on~~

~~containing a~~

6 21 renewable fuel is sold from a motor vehicle fuel pump, the

6 22 pump shall be affixed with a decal identifying the name of the

6 23 renewable fuel.

~~All diesel fuel kept, offered, or exposed for~~

6 24

~~sale, or sold at retail containing over one percent soybean~~

6 25

~~oil by volume shall be identified as "with soydiesel" or~~

6 26

~~similar wording on a decal.~~

~~The decal may be different based~~

6 27 on the type of renewable fuel used. The design and location

6 28 of the

~~decals~~

~~decal shall be prescribed by rules adopted by~~

6 29 the department.

~~The department shall adopt the rules to be~~

6 30

~~effective by January 1, 1995.~~

~~A decal identifying a renewable~~

6 31 fuel shall be consistent with standards adopted pursuant to

6 32 section 159A.6.

~~Until the department establishes standards~~

6 33

~~for decals, the wording shall be on a white adhesive decal~~

6 34

~~with black letters at least one half inch high and at least~~

6 35

~~one quarter inch wide placed between thirty and forty inches~~

7 1

~~above the driveway level on the front sides of any container~~

7 2

~~or pump from which the motor fuel is sold.~~

~~The department may~~

7 3 approve an application to place a decal in a special location

7 4 on a pump or container or use a decal with special lettering

7 5 or colors, if the decal appears clear and conspicuous to the

7 6 consumer. The application shall be made in writing pursuant

7 7 to procedures adopted by the department. Designs for a decal

7 8 identifying a renewable fuel shall be consistent with

7 9 standards adopted pursuant to section 159A.6.

7 10 Sec. 9. NEW SECTION. 214A.16A RENEWABLE REFORMULATED

7 11 GASOLINE AVAILABILITY REQUIRED.

7 12 1. Except as provided in this section, the following shall

7 13 apply:

7 14 a. A retail dealer, on or after January 1, 2001, shall not

7 15 sell gasoline at a site, unless the retail dealer also sells

7 16 renewable reformulated gasoline from at least one motor

7 17 vehicle fuel pump at that site.

7 18 b. A retail dealer, on or after July 1, 2001, shall not

7 19 sell conventional gasoline from a pump, unless the retail

7 20 dealer sells renewable reformulated gasoline from at least one

7 21 pump which the retail dealer sold the lowest grade of

7 22 conventional gasoline at any time on or before the effective
7 23 date of this Act. However, in no case shall the retail dealer
7 24 sell conventional gasoline with a lower octane level than the
7 25 retail dealer sells renewable reformulated gasoline from at
7 26 least one pump at the site.

7 27 2. a. This section does not apply to the extent that a
7 28 retail dealer cannot sell renewable reformulated gasoline at a
7 29 site because the motor vehicle fuel storage tank located on
7 30 the site is not compatible with storing renewable reformulated
7 31 gasoline. The department shall grant an exemption to a person
7 32 under this paragraph stating a motor vehicle fuel tank is not
7 33 compatible with storing renewable reformulated gasoline,
7 34 because the tank is not warranted by its manufacturer for
7 35 conventional blended gasoline. The exemption must be granted
8 1 in writing after the retail dealer submits all information and
8 2 affirmations as required by the department. An exemption
8 3 granted under this paragraph shall expire on July 1, 2002.

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

8 9 c. This section does not require a retail dealer to cease
8 10 selling conventional gasoline during any period when the
8 11 retail dealer cannot sell conventional gasoline due to any of
8 12 the following:

8 13 (1) A wholesale dealer fails to supply the retail dealer
8 14 with renewable reformulated gasoline on a timely basis. This
8 15 subparagraph does not apply if the retail dealer and the
8 16 wholesale dealer are the same person.

8 17 (2) A temporary depletion of the retail dealer's renewable
8 18 reformulated gasoline inventory. This subparagraph does not
8 19 apply if the retail dealer stores conventional gasoline in the
8 20 depleted tank.

8 21 (3) A communication, including the issuance of an order or
8 22 letter, by a federal or state agency, including the United
8 23 States environmental protection agency, the department of
8 24 natural resources, or the department of agriculture and land
8 25 stewardship, requiring or requesting that the retail dealer
8 26 cease using a motor vehicle fuel storage tank storing
8 27 renewable reformulated gasoline or related motor vehicle fuel
8 28 storage tank equipment. This subparagraph does not apply once
8 29 the terms of the communication have expired.

8 30 (4) A motor vehicle fuel storage tank used to store
8 31 renewable reformulated gasoline or related motor vehicle fuel
8 32 storage tank equipment cannot function because of repair,
8 33 replacement, or maintenance. This subparagraph does not apply
8 34 after the tank or related equipment has been repaired,
8 35 replaced, or maintained or should have been repaired,
9 1 replaced, or maintained within a period customary for that
9 2 type of repair, replacement, or maintenance.

9 3 3. The department shall adopt pursuant to chapter 17A all
9 4 rules necessary in order to administer this section.

9 5 Sec. 10. NEW SECTION. 214A.18 MTBE PROHIBITION.

9 6 1. A person shall not do any of the following:

9 7 a. Sell motor vehicle fuel containing more than trace
9 8 amounts of MTBE in this state.

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

9 12 2. As used in this section, "trace amounts" means not more
9 13 than one-half of one percent by volume.

9 14 Sec. 11. Section 214A.19, subsection 1, unnumbered
9 15 paragraph 1, Code 1999, is amended to read as follows:

9 16 The department of natural resources, conditioned upon the
9 17 availability of funds, is authorized to award demonstration
9 18 grants to persons who purchase vehicles which operate on

9 19 alternative fuels, including but not limited to,

~~high blend~~

9 20

~~ethanol~~

- renewable reformulated gasoline which contains more

9 21 than thirteen percent ethanol, compressed natural gas,
9 22 electricity, solar energy, or hydrogen. A grant shall be for
9 23 the purpose of conducting research connected with the fuel or
9 24 the vehicle, and not for the purchase of the vehicle itself,
9 25 except that the money may be used for the purchase of the
9 26 vehicle if all of the following conditions are satisfied:

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

9 29 NEW PARAGRAPH. k. Up to one hundred percent of the costs
9 30 necessary to reimburse the owner or operator for costs
9 31 associated with converting a motor vehicle fuel storage tank
9 32 or storage tank piping used to store and dispense renewable
9 33 reformulated gasoline from a storage tank to a motor vehicle
9 34 fuel pump as required pursuant to chapter 214A, pursuant to
9 35 section 455G.23. However, the owner or operator shall not be
10 1 reimbursed more than ten thousand dollars for converting a
10 2 motor vehicle fuel storage tank or more than three thousand
10 3 dollars for converting storage tank piping.

10 4 Sec. 13. NEW SECTION. 455G.23 CONVERSION NECESSARY TO
10 5 STORE AND DISPENSE RENEWABLE REFORMULATED GASOLINE.

10 6 1. As used in this section:

10 7 a. "Conventional blended gasoline" means conventional
10 8 blended gasoline as defined in section 214A.1.

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

10 11 c. "Motor vehicle fuel storage tank equipment" means a
10 12 motor vehicle fuel storage tank or motor vehicle fuel storage
10 13 tank piping.

10 14 d. "Motor vehicle fuel storage tank piping" means the same
10 15 as defined in section 214A.1.

10 16 e. "Site" means the same as defined in section 214A.1.

10 17 2. The board shall establish a program to reimburse the
10 18 owner or operator of a site for costs necessary to convert
10 19 motor vehicle fuel storage tank equipment for use in storing
10 20 or dispensing renewable reformulated gasoline as provided
10 21 pursuant to chapter 214A. The conversion may be in the form
10 22 of the replacement of or modifications in the motor vehicle
10 23 fuel storage tank equipment.

10 24 3. In order to be eligible for reimbursement, all of the
10 25 following must apply:

10 26 a. The motor vehicle fuel storage tank equipment is
10 27 located at a site.

10 28 b. The site must comply with federal and state standards
10 29 governing new or upgraded motor vehicle fuel storage tank
10 30 equipment.

10 31 4. The owner or operator shall apply to the board in a
10 32 manner and according to procedures required by the board. The
10 33 application shall contain all information required by the
10 34 board and shall at least include all of the following:

10 35 a. The name of the owner or operator and the address of
11 1 the site.

11 2 b. A detailed description of the motor vehicle fuel
11 3 storage tank equipment, including all of the following:

11 4 (1) The location of the motor vehicle fuel storage tank
11 5 equipment on the site.

11 6 (2) The date that the motor vehicle fuel storage tank
11 7 equipment was installed on the site.

11 8 (3) The model number of the motor vehicle fuel storage
11 9 tank equipment, if available.

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

11 15 c. One of the following:

11 16 (1) A statement certified by the manufacturer of the motor
11 17 vehicle fuel storage tank equipment verifying that the motor
11 18 vehicle fuel storage tank equipment is not warranted for the
11 19 storage or dispensing of renewable reformulated gasoline.

11 20 (2) A letter signed by an agent or representative of two
11 21 property and casualty insurers of motor vehicle fuel storage
11 22 tank equipment recognized by the board. Each letter must
11 23 state that the motor vehicle fuel storage tank equipment is
11 24 not insurable for the storage or dispensing of renewable
11 25 reformulated gasoline under policies customarily issued by the
11 26 insurer covering motor vehicle fuel storage tank equipment.

11 27 5. A site classified as a no further action site pursuant
11 28 to a certificate issued by the department under section
11 29 455B.474 shall retain its classification following
11 30 modifications necessary to store and dispense renewable
11 31 reformulated gasoline, and the owner-operator shall not be
11 32 required to perform a new site assessment unless the site
11 33 causes a clear, present, and impending danger to the public
11 34 health or the environment.

11 35 6. The board shall not accept an application for
12 1 reimbursement of conversion costs as provided in this section
12 2 on or after July 1, 2002.

12 3 Sec. 14. RENEWABLE REFORMULATED GASOLINE PROMOTION STUDY
12 4 USE OF DECALS. There is appropriated from the general fund
12 5 of the state to the department of agriculture and land
12 6 stewardship for the fiscal year beginning July 1, 2000, and
12 7 ending June 30, 2001, the following amount, or so much thereof
12 8 as is necessary, to be used for the purposes designated:

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

12 15 \$ 25,000

12 16 1. The office shall conduct the study in cooperation with
12 17 the renewable fuels and coproducts advisory committee. The
12 18 committee shall develop various test decals which the
12 19 department shall place on motor vehicle pumps which dispense
12 20 renewable reformulated gasoline in different regions
12 21 throughout the state. The decals shall use different designs,
12 22 colors, shapes, sizes, and wording. A test decal shall be
12 23 placed on the pump in lieu of the decal otherwise required to
12 24 be placed on the pump pursuant to section 214A.16. The decals
12 25 shall be designed to promote the advantages of using renewable
12 26 reformulated gasoline. The office shall provide for the
12 27 placement of different decals in regions throughout the state.

12 28 2. The office shall submit a report to the governor and
12 29 general assembly not later than March 1, 2001. The report
12 30 shall include a summary of the study, an image of the test
12 31 decals used, the results of the study, and any plan for
12 32 changing the decal currently used by the department as
12 33 required pursuant to section 214A.16.

12 34 Sec. 15. 1999 Iowa Acts, chapter 204, section 15,
12 35 subsection 4, paragraph a, is amended by striking the
13 1 paragraph.

13 2 Sec. 16. EFFECTIVE DATE AND APPLICABILITY. The amendment
13 3 to section 15.333, in this Act takes effect July 1, 2001, and
13 4 applies to tax years beginning on or after that date.

13 5 EXPLANATION

13 6 This bill provides for the establishment of a healthy

13 7 environmental and value-added energy initiative. The bill
13 8 includes a section describing the purposes of the bill,
13 9 including providing for protecting the public health,
13 10 preserving the state's natural environment, and encouraging
13 11 the manufacture of compatible value-added products.

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

13 17 The bill amends Code chapter 214A which provides for the
13 18 regulation of motor vehicle fuel, including gasoline blended
13 19 with oxygenates such as methyl tertiary butyl ether (MTBE) or
13 20 ethanol. This bill creates a number of new definitions
13 21 including "renewable reformulated gasoline" which includes a
13 22 renewable fuel such as ethanol and conventional gasoline which
13 23 is gasoline other than renewable reformulated gasoline.

13 24 The bill provides that after January 1, 2001, a retail
13 25 dealer is prohibited from selling gasoline from a site, unless
13 26 the retail dealer also sells renewable reformulated gasoline
13 27 from at least one motor vehicle fuel pump at the site. The
13 28 bill provides that on or after July 1, 2001, a retail dealer
13 29 is prohibited from selling conventional gasoline from a pump,
13 30 unless the retail dealer sells renewable reformulated gasoline
13 31 from one pump which sold the lowest grade of conventional
13 32 gasoline prior to the effective date of the Act. The bill
13 33 prohibits a retail dealer from selling conventional gasoline
13 34 with a lower octane level than the retail dealer sells
13 35 renewable reformulated gasoline from at least one pump at the
14 1 site.

14 2 The bill excuses a retail dealer from complying with the
14 3 bill's requirements, if the retail dealer cannot sell
14 4 renewable reformulated gasoline due to a number of reasons,
14 5 including the failure of a wholesale dealer to supply the
14 6 gasoline; the temporary depletion of the retail dealer's
14 7 inventory; a communication by a federal or state agency
14 8 requiring or requesting that the retail dealer cease using a
14 9 tank storing renewable reformulated gasoline; or the repair,
14 10 replacement, or maintenance of a tank or related equipment.

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

14 20 The bill amends Code chapter 455G by requiring the Iowa
14 21 comprehensive petroleum underground storage tank fund board to
14 22 establish a program to reimburse the owner or operator of a
14 23 site for costs necessary to store and dispense renewable
14 24 reformulated gasoline. Moneys for reimbursement derive from
14 25 the remedial account of the Iowa comprehensive petroleum
14 26 underground storage tank fund.

14 27 Generally, a retail dealer who violates the provisions of
14 28 this bill is guilty of a simple misdemeanor. This bill
14 29 provides that a retail dealer who sells gasoline which is not
14 30 renewable reformulated gasoline is subject to a civil penalty
14 31 of not more than \$100.

14 32 LSB 7216XC 78

14 33 da/cls/14