

House File 2567 - Introduced

HOUSE FILE 2567
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 689)

A BILL FOR

1 An Act relating to the E-15 gasoline infrastructure program,
2 by providing for the award of financial incentives to
3 participating persons.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 159A.14A E-15 gasoline
2 infrastructure program.

3 1. An E-15 gasoline infrastructure program is established
4 in the department under the direction of the infrastructure
5 board.

6 2. The purpose of the program is to improve existing retail
7 motor fuel sites and terminals by installing, replacing, or
8 converting infrastructure to be used to store, blend, or
9 dispense E-15 gasoline.

10 3. The infrastructure must be designed and shall be used
11 exclusively to store or dispense E-15 gasoline as a registered
12 fuel recognized by the United States environmental protection
13 agency. Eligible infrastructure includes tanks and all
14 associated equipment, including but not limited to pipes,
15 hoses, tubes, lines, fittings, valves, filters, seals, and
16 covers. However, eligible infrastructure does not include
17 motor fuel pumps, motor fuel blender pumps, or tank vehicles.

18 4. The infrastructure board shall approve cost-share
19 agreements to make infrastructure improvements if executed
20 by the department and persons that the infrastructure board
21 determines are eligible as provided in this section, according
22 to terms and conditions required by the infrastructure board.
23 The infrastructure board shall determine the amount of the
24 financial incentives to be awarded to a person participating
25 in the program subject to the limitations provided in this
26 section. In order for a person to be eligible to participate
27 in the program all of the following must apply:

28 a. The person must be an owner or operator of a retail motor
29 fuel site, or a terminal operator.

30 b. The person must apply to the department in a manner and
31 according to procedures required by the infrastructure board.
32 The application must contain all information required by the
33 infrastructure board and shall at least include all of the
34 following:

35 (1) The name of the person and the address of the retail

1 motor fuel site or terminal to be improved.

2 (2) A detailed description of the infrastructure to
3 be installed, replaced, or converted. For a storage tank
4 installed at a retail motor fuel site, the information shall
5 include the model number of each installed, replaced, or
6 converted motor fuel storage tank if available.

7 (3) A statement describing how the retail motor fuel site
8 or terminal is to be improved, the total estimated cost of the
9 planned improvement, and the date when the infrastructure will
10 be first used following the completion of the improvement.

11 (4) A statement certifying that the infrastructure shall
12 only be used to comply with the provisions of this section and
13 as specified in the cost-share agreement, unless granted a
14 waiver by the infrastructure board pursuant to this section.

15 5. A retail motor fuel site or terminal improved using
16 financial incentives awarded under this section must comply
17 with applicable federal and state standards governing new or
18 upgraded motor fuel storage tanks used to store and dispense
19 E-15 gasoline. A retail motor fuel site issued a certificate
20 of no further action by the department of natural resources
21 under section 455B.474 shall retain its classification
22 following modifications necessary to store the E-15 gasoline
23 and the owner or operator of the retail motor fuel site shall
24 not be required to perform a new site assessment unless a new
25 release occurs or if a previously unknown or unforeseen risk
26 condition arises.

27 6. An award of financial incentives to a participating
28 person shall be on a cost-share basis in the form of a grant.
29 To participate in the program, an eligible person must execute
30 a cost-share agreement with the department as approved by
31 the infrastructure board in which the person contributes a
32 percentage of the total costs related to improving the retail
33 motor fuel site or terminal.

34 a. A cost-share agreement shall be for five years. The
35 infrastructure board may approve multiple improvements to

1 the same retail motor fuel site or terminal so long as the
2 improvements are made under separate cost-share agreements.

3 *b.* (1) The financial incentives awarded to a participating
4 person to improve a retail motor fuel site shall not exceed
5 seventy percent of the actual cost of making the improvement or
6 one hundred thousand dollars, whichever is less.

7 (2) The infrastructure board may approve multiple awards of
8 financial incentives to make improvements to one or more retail
9 motor fuel sites so long as the total amount of the awards does
10 not exceed the limitations provided in subparagraph (1).

11 (3) The infrastructure board shall not award a total of
12 more than five hundred thousand dollars in financial incentives
13 to a participating person to make improvements to one or more
14 retail motor fuel sites as provided in subparagraphs (1) and
15 (2) during any twelve-month period.

16 7. A participating person awarded financial incentives
17 shall not use the infrastructure to store and dispense motor
18 fuel other than E-15 gasoline, unless one of the following
19 applies:

20 *a.* The participating person is granted a waiver by the
21 infrastructure board. The participating person shall store or
22 dispense the motor fuel according to the terms and conditions
23 of the waiver.

24 *b.* The E-15 gasoline infrastructure fund created in
25 section 159A.17 is immediately repaid the total amount of
26 moneys awarded to the participating person together with a
27 monetary penalty equal to twenty-five percent of that awarded
28 amount. The amount shall be deposited in the E-15 gasoline
29 infrastructure fund created in section 159A.17.

30 8. A participating person may be awarded financial
31 incentives under this section regardless of whether the
32 participating person received financial incentives under the
33 renewable fuel infrastructure program for retail motor fuel
34 sites established in section 159A.14.

35 9. A participating person who acts in violation of an

1 agreement executed with the department pursuant to this section
2 is subject to a civil penalty of not more than one thousand
3 dollars per day for each day of the violation. The civil
4 penalty shall be deposited into the general fund of the state.

5 Sec. 2. NEW SECTION. 159A.17 E-15 gasoline infrastructure
6 fund.

7 1. An E-15 gasoline infrastructure fund is created in the
8 state treasury under the control of the department. The E-15
9 gasoline infrastructure fund is separate from the general fund
10 of the state.

11 2. The E-15 gasoline infrastructure fund is composed
12 of moneys appropriated by the general assembly and moneys
13 available to and obtained or accepted by the department from
14 the United States government or private sources for placement
15 in the fund.

16 3. Moneys in the E-15 gasoline infrastructure fund are
17 appropriated to the department exclusively to support the
18 E-15 gasoline infrastructure program as provided in section
19 159A.14A, and as allocated in financial incentives by the
20 infrastructure board. The moneys shall not be transferred,
21 used, obligated, appropriated, or otherwise encumbered except
22 to allocate as financial incentives under the program.

23 4. *a.* The recapture of awards or monetary penalties as
24 provided in section 159A.14A, subsection 7, or other repayments
25 of moneys originating from the E-15 gasoline infrastructure
26 fund, shall be deposited into the fund.

27 *b.* Notwithstanding section 12C.7, interest or earnings on
28 moneys in the fund shall be credited to the fund.

29 *c.* Notwithstanding section 8.33, unencumbered and
30 unobligated moneys remaining in the E-15 gasoline
31 infrastructure fund at the close of each fiscal year shall not
32 revert but shall remain available in the fund for the purposes
33 designated.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill creates an E-15 gasoline infrastructure program
3 (program) to support the improvement of retail motor fuel sites
4 (sites) and terminals installing, replacing, or converting
5 motor fuel storage tanks (e.g., underground storage tanks)
6 and associated fittings and equipment, other than dispensers
7 (motor fuel pumps). The bill imposes caps on the amount that
8 may be awarded to improve a site or awarded for one or more
9 sites owned and operated by the same person during any 12-month
10 period. An award to an owner or operator of a site or the
11 operator of a terminal is based on a five-year cost-share
12 agreement (agreement) executed by the participating person
13 and the department of agriculture and land stewardship acting
14 in cooperation with the renewable fuel infrastructure board
15 (board). The bill provides that the board may waive the
16 requirement that the improved infrastructure be used to store
17 and dispense E-15 gasoline. A participating person who acts in
18 violation of an agreement is subject to a civil penalty. The
19 bill also creates an E-15 gasoline infrastructure fund that is
20 used to support the program.