

House Study Bill 673 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
AGRICULTURE AND LAND
STEWARDSHIP BILL)

A BILL FOR

1 An Act providing for programs and regulations administered
2 and enforced by the department of agriculture and land
3 stewardship, providing fees, providing penalties, and making
4 penalties applicable.

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

DIVISION I

CHOOSE IOWA PROMOTIONAL PROGRAM

Section 1. Section 159.20, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The department shall establish and administer a choose Iowa promotional program as provided in part 2 of this subchapter, in order to provide consumers a choice in purchasing food items that originate as an agricultural commodity produced on Iowa farms.

Sec. 2. NEW SECTION. 159.26 **Definitions.**

As used in this part:

1. "*Food item*" means any of the following:

a. A perishable item derived from an agricultural commodity, or processed from an agricultural commodity, that is fit for human consumption.

b. Honey produced from bees in a managed beehive.

2. "*Iowa farm*" means land in this state used to produce an agricultural commodity.

3. "*Process*" means to prepare a food item in a manner that allows it to be fit for human consumption.

4. "*Program*" means the choose Iowa promotional program established in section 159.29.

Sec. 3. NEW SECTION. 159.28 **Administration.**

The department shall administer the provisions of this part, including by adopting rules pursuant to chapter 17A as it determines are necessary or desirable.

Sec. 4. NEW SECTION. 159.29 **Choose Iowa promotional program.**

1. The department shall establish and administer a choose Iowa promotional program to advertise for sale on a retail basis a food item that originates as an agricultural commodity produced on an Iowa farm, and that may include any of the following:

a. An agricultural commodity, except that it may be prepared for sale by washing or packaging in this state.

1 *b.* A product, if it is processed in this state and any of
2 its ingredients originate as an agricultural commodity produced
3 on an Iowa farm.

4 2. *a.* The department may adopt rules further defining
5 an Iowa farm and describing how an agricultural commodity
6 originates on an Iowa farm.

7 *b.* The department may adopt rules providing for the
8 acceptable use of ingredients originating from agricultural
9 commodities not produced on Iowa farms. In adopting the
10 rules, the department may consider whether the ingredient is
11 an incidental additive or other component that the department
12 determines is insignificant.

13 Sec. 5. NEW SECTION. 159.30 Choose Iowa logo.

14 1. As part of the program, the department may establish
15 a choose Iowa logo to identify a food item originating as an
16 agricultural commodity produced on an Iowa farm.

17 2. The department may register the choose Iowa logo as a
18 mark with the secretary of state under chapter 548. If allowed
19 under federal law, the department may also register the logo as
20 a trademark with the United States patent and trademark office
21 or as a copyright with the United States copyright office.

22 3. This section does not require the department to
23 incorporate the name "choose Iowa" as part of a mark,
24 trademark, or copyright, if such name is already protected by
25 state or federal law.

26 4. If the department registers a mark with the secretary
27 of state, registers a trademark with the United States patent
28 and trademark office, or registers a copyright with the United
29 States copyright office under this section, the state of
30 Iowa shall be named as the owner of the mark, trademark, or
31 copyright.

32 5. The use of a choose Iowa logo does not do any of the
33 following:

34 *a.* Provide an express or implied guarantee or warranty
35 concerning the safety, fitness, merchantability, or use of a

1 food item.

2 *b.* Supersede, revise, or replace a state or federal labeling
3 requirement, including but not limited to a provision in the
4 federal Fair Packaging and Labeling Act, 15 U.S.C. §1451 et
5 seq.

6 *c.* Indicate the grade, specification, standard, or value of
7 any food item.

8 Sec. 6. NEW SECTION. 159.31 Choose Iowa licensing agreement
9 — fees.

10 1. A person may apply to the department to participate in
11 the choose Iowa promotional program according to procedures
12 established by rules adopted by the department. The department
13 shall evaluate and approve or disapprove applications based
14 on criteria established by rules adopted by the department.
15 The department may disapprove an application if the department
16 determines the applicant's use of the choose Iowa logo would be
17 associated with the consumption of an adulterated or illegal
18 food item.

19 2. The department may enter into a licensing agreement
20 with a person participating in the program. The participating
21 person may use the choose Iowa logo to advertise a food item
22 originating as an agricultural commodity produced on an Iowa
23 farm, subject to terms and conditions required by rules adopted
24 by the department. A licensing agreement shall not be for more
25 than one year.

26 3. The department shall establish application and license
27 fees by rules adopted by the department.

28 Sec. 7. NEW SECTION. 159.31A Choose Iowa fund.

29 1. A choose Iowa fund is established in the state treasury
30 under the management and control of the department.

31 2. The fund shall include moneys collected as fees by the
32 department as provided in section 159.31, moneys appropriated
33 by the general assembly, and other moneys available to and
34 obtained or accepted by the department, including moneys from
35 public or private sources.

1 3. Moneys in the fund are appropriated to the department
2 and shall be used exclusively to carry out the provisions of
3 this part as determined and directed by the department, and
4 shall not require further special authorization by the general
5 assembly.

6 4. *a.* Notwithstanding section 12C.7, interest or earnings
7 on moneys in the fund shall be credited to the fund.

8 *b.* Notwithstanding section 8.33, moneys in the fund that
9 remain unencumbered or unobligated at the end of a fiscal year
10 shall not revert.

11 Sec. 8. DIRECTIONS TO CODE EDITOR — TRANSFER.

12 1. The Code editor is directed to make the following
13 transfer:

14 Section 159.27 to section 159.25.

15 2. The Code editor shall correct internal references in the
16 Code and in any enacted legislation as necessary due to the
17 enactment of this section.

18 Sec. 9. DIRECTIONS TO CODE EDITOR — PARTS. The Code editor
19 is directed to divide the provisions in chapter 159, subchapter
20 II, as amended, enacted, or transferred in this division of
21 this Act, into parts as follows:

22 1. Part 1, including sections 159.20 through 159.25.

23 2. Part 2, including sections 159.26 through 159.31A.

24 DIVISION II

25 REGULATION OF PESTICIDES

26 Sec. 10. Section 206.19, subsection 5, paragraph b, Code
27 2022, is amended to read as follows:

28 *b.* The amount of the civil penalty ~~that may be assessed~~
29 ~~for each violation committed by a commercial applicator or~~
30 ~~private applicator~~ shall not exceed five hundred dollars for
31 each offense.

32 DIVISION III

33 REGULATION OF MOTOR FUELS

34 Sec. 11. Section 214A.1, subsections 2, 5, and 13, Code
35 2022, are amended to read as follows:

1 2. "~~A.S.T.M.~~ ASTM international" means the American society
2 for testing and materials international.

3 5. "Biodiesel" means a renewable fuel comprised of
4 mono-alkyl esters of long-chain fatty acids derived from
5 vegetable oils or animal fats, which is manufactured by the
6 use of a transesterification reaction, and which meets the
7 standards provided in section 214A.2.

8 13. "E-85 gasoline" or "E-85" means ethanol blended gasoline
9 formulated with a percentage of between seventy sixty-eight
10 and eighty-five eighty-three percent by volume of ethanol, if
11 the formulation excludes a denaturant, and which meets the
12 standards provided in section 214A.2.

13 Sec. 12. NEW SECTION. 214A.1A Administration and
14 enforcement.

15 This chapter shall be administered and enforced by the
16 department which may adopt rules under chapter 17A to carry out
17 the provisions of this chapter.

18 Sec. 13. Section 214A.2, Code 2022, is amended to read as
19 follows:

20 **214A.2 ~~Tests and standards~~ Standards and classifications.**

21 1. a. The department shall adopt rules pursuant to ~~chapter~~
22 ~~17A for carrying out~~ this chapter. The rules may include but
23 ~~are not limited to specifications~~ establishing departmental
24 standards relating to motor fuel, ~~including but not limited to~~
25 ~~renewable fuel such as ethanol blended gasoline, biobutanol~~
26 ~~blended gasoline, biodiesel, biodiesel blended fuel,~~ fuels and
27 motor fuel components ~~such as an oxygenate.~~

28 b. In the interest of uniformity, the department shall
29 adopt by reference ~~either~~ in part or in whole, as some of its
30 departmental standards described in paragraph "a", applicable
31 specifications relating to tests and standards for motor fuel,
32 including renewable fuel and motor fuel components, adopted by
33 ASTM international and applicable requirements established by
34 the United States environmental protection agency and ~~A.S.T.M.~~
35 ~~international.~~

1 2. Octane number shall conform to the average of values
2 obtained from the ~~A.S.T.M.~~ ASTM international D2699 research
3 method and the ~~A.S.T.M.~~ ASTM international D2700 motor method.

4 a. Octane number for regular grade unleaded gasoline shall
5 follow the specifications of ~~A.S.T.M.~~ ASTM international but
6 shall not be less than eighty-seven.

7 b. Octane number for premium grade unleaded gasoline shall
8 follow the specifications of ~~A.S.T.M.~~ ASTM international but
9 shall not be less than ninety ninety-one.

10 3. a. For motor fuel advertised for sale or sold as
11 gasoline by a dealer, the motor fuel must meet requirements
12 for that type of motor fuel and its additives established by
13 the United States environmental protection agency including as
14 provided under 42 U.S.C. §7545.

15 b. If the motor fuel is advertised for sale or sold as
16 ethanol blended gasoline, the motor fuel must ~~comply with~~ meet
17 departmental standards ~~which shall meet all of the following~~
18 requirements including as follows:

19 (1) Ethanol must be an agriculturally derived ethyl alcohol
20 that meets ~~A.S.T.M.~~ departmental standards based in part or in
21 whole on ASTM international specification D4806 for denatured
22 fuel ethanol for blending with gasoline for use as automotive
23 spark-ignition engine fuel, or a successor ~~A.S.T.M.~~ ASTM
24 international specification, ~~as established by rules adopted~~
25 by the department rule.

26 (2) Gasoline blended with ethanol must meet ~~requirements~~
27 established by rules adopted departmental standards based
28 in part or in whole ~~based on A.S.T.M.~~ ASTM international
29 specification D4814, or a successor ASTM international
30 specification, established by rule.

31 (3) (a) For ethanol blended gasoline, at least ~~nine~~ ten
32 percent by volume must be fuel grade ethanol. ~~In addition, the~~
33 ~~following applies:~~

34 (a) (b) For the period beginning on September 16 and
35 ending on May 31 of each year, the state grants a waiver of

1 one pound per square inch from the ~~A.S.T.M.~~ ASTM international
2 D4814 specification for Reid vapor pressure requirement, or
3 a successor ASTM international specification, established by
4 rule.

5 ~~(b) For the period beginning on June 1 and ending on~~
6 ~~September 15 of each year the United States environmental~~
7 ~~protection agency must grant a one pound per square inch waiver~~
8 ~~for ethanol blended conventional gasoline with at least nine~~
9 ~~but not more than ten percent by volume of ethanol pursuant to~~
10 ~~40 C.F.R. §80.27.~~

11 (4) For standard ethanol blended gasoline, it must be
12 ethanol blended gasoline classified as any of the following:

13 (a) From ~~E-9~~ E-10 up to but not higher than E-15, if the
14 ethanol blended gasoline meets the departmental standards for
15 that classification as otherwise provided in this paragraph
16 "b".

17 (b) Higher than E-15 but not E-85 gasoline, if the
18 classification is authorized by the department pursuant to
19 approval for the use of that classification of ethanol blended
20 gasoline in this state by the United States environmental
21 protection agency, by granting a waiver or the adoption of
22 regulations.

23 (5) E-85 gasoline must be an agriculturally derived ethyl
24 alcohol that meets ~~A.S.T.M.~~ departmental standards based in
25 part or in whole on ASTM international specification D5798,
26 described as a fuel blend for use in ground vehicles with
27 automotive spark-ignition engines, or a successor ~~A.S.T.M.~~ ASTM
28 international specification, ~~as established by rules adopted~~
29 ~~by the department~~ rule.

30 c. If the motor fuel is advertised for sale or sold as
31 biobutanol blended gasoline, the motor fuel must ~~comply~~
32 ~~with~~ meet departmental standards ~~which shall meet all of the~~
33 ~~following requirements~~ as follows:

34 (1) Biobutanol must be an agriculturally derived isobutyl
35 or n-butyl alcohol that meets ~~A.S.T.M.~~ ASTM international

1 specification D7862 for butanol for blending with gasoline for
2 use as automotive spark-ignition engine fuel, or a successor
3 ~~A.S.T.M.~~ ASTM international specification, ~~as~~ established by
4 ~~rules adopted by the department~~ rule.

5 (2) Gasoline blended with biobutanol must meet ~~requirements~~
6 ~~established by rules adopted~~ departmental standards based
7 in part or in whole ~~based~~ on ~~A.S.T.M.~~ ASTM international
8 specification D4814, or a successor ASTM international
9 specification, established by rule.

10 4. a. For motor fuel advertised for sale or sold as diesel
11 fuel by a dealer, the motor fuel must meet requirements for
12 that type of motor fuel and its additives established by the
13 United States environmental protection agency including as
14 provided under 42 U.S.C. §7545.

15 b. If the motor fuel is advertised for sale or sold as
16 biodiesel or biodiesel blended fuel, the motor fuel must ~~comply~~
17 with meet departmental standards ~~which shall comply with~~ based
18 in part or in whole on specifications adopted by ~~A.S.T.M.~~ ASTM
19 international for biodiesel or biodiesel blended fuel, to
20 every extent applicable, as determined by ~~rules adopted by the~~
21 ~~department.~~ the department, subject to the following:

22 (1) Biodiesel must ~~conform to A.S.T.M.~~ meet departmental
23 standards based in whole or in part on ASTM international
24 specification D6751, or a successor A.S.T.M. ASTM international
25 specification, as established by ~~rules adopted by the~~
26 ~~department~~ rule. The specification shall apply to biodiesel
27 before it leaves its place of manufacture.

28 (2) At least ~~one~~ five percent of biodiesel blended fuel by
29 volume must be biodiesel.

30 (3) The biodiesel may be blended with diesel fuel whose
31 sulfur, aromatic, lubricity, and cetane levels do not comply
32 with ~~A.S.T.M.~~ ASTM international specification D975 grades
33 1-D or 2-D, low sulfur 1-D or 2-D, or ultra-low sulfur grades
34 1-D or 2-D, provided that the finished biodiesel blended fuel
35 meets ~~A.S.T.M. international specification D975 or a successor~~

1 ~~A.S.T.M. international specification as established by rules~~
2 ~~adopted by the department~~ departmental standards as required in
3 subparagraph (1).

4 (4) Biodiesel blended fuel classified as B-6 or higher
5 but not higher than B-20 must ~~conform to A.S.T.M.~~ meet
6 departmental standards based in whole or in part on ASTM
7 international specification D7467, or a successor A.S.T.M. ASTM
8 international specification, ~~as established by rules adopted~~
9 ~~by the department rule.~~

10 5. Motor fuel shall be classified as follows:

11 a. (1) Ethanol shall be classified as E-100.

12 (2) Ethanol blended gasoline formulated with a percentage
13 of between sixty-eight and eighty-three percent by volume of
14 ethanol shall be classified as E-85.

15 (3) Ethanol blended gasoline, other than ethanol blended
16 gasoline classified as E-85, shall be designated classified as
17 E-xx where "xx" is the volume percent of ethanol in the ethanol
18 blended gasoline.

19 b. (1) Biobutanol shall be classified as Bu-100.

20 (2) Biobutanol blended gasoline shall be designated
21 classified as Bu-xx where "xx" is the volume percent of
22 biobutanol in the biobutanol blended gasoline.

23 c. (1) Biodiesel shall be classified as B-100.

24 (2) Biodiesel blended fuel shall be designated classified
25 as B-xx where "xx" is the volume percent of biodiesel.

26 6. Motor fuel shall not contain more than trace amounts of
27 MTBE, as provided in [section 214A.18](#).

28 Sec. 14. Section 214A.2A, subsection 1, Code 2022, is
29 amended to read as follows:

30 1. Fuel which is sold or is kept, offered, or exposed for
31 sale as kerosene shall be labeled as kerosene. The label shall
32 include the word "kerosene" or the designation "K1 kerosene",
33 and shall indicate that the kerosene is in compliance with the
34 standard specification adopted by ~~A.S.T.M.~~ ASTM international
35 specification D3699 (1982), or a successor ASTM international

1 specification, established by rules adopted by the department.

2 Sec. 15. Section 214A.2B, Code 2022, is amended to read as
3 follows:

4 **214A.2B Laboratory for motor fuel and biofuels.**

5 A laboratory for motor fuel and biofuels is established at
6 a community college which is engaged in biofuels testing on
7 July 1, 2007, and which testing includes but is not limited to
8 B-20 biodiesel fuel testing for motor trucks and the ability of
9 biofuels to meet ~~A.S.T.M.~~ ASTM international standards. The
10 laboratory shall conduct testing of motor fuel sold in this
11 state and biofuel which is blended in motor fuel in this state
12 to ensure that the motor fuel or biofuels meet the requirements
13 in [section 214A.2](#).

14 Sec. 16. Section 214A.3, Code 2022, is amended to read as
15 follows:

16 **214A.3 Advertising.**

17 ~~1. For all motor fuel, a~~ A person shall not knowingly do any
18 of the following:

19 ~~a. 1.~~ 1. Advertise ~~the~~ for sale ~~of~~ any motor fuel ~~which~~ that
20 does not meet the standards provided in [section 214A.2](#).

21 ~~b. 2.~~ 2. Falsely advertise for sale the quality, type, or kind
22 of any motor fuel or a component of motor fuel.

23 ~~c. 3.~~ 3. Add a coloring matter to the motor fuel which
24 misleads a person who is purchasing the motor fuel about the
25 quality of the motor fuel.

26 4. Falsely advertise for sale the classification of a motor
27 fuel as provided in section 214A.2.

28 ~~2. For a renewable fuel, all of the following apply:~~

29 ~~a. A person shall not knowingly falsely advertise that a~~
30 ~~motor fuel is a renewable fuel or is not a renewable fuel.~~

31 ~~b. (1) Ethanol blended gasoline sold by a dealer shall~~
32 ~~be designated according to its classification as provided in~~
33 ~~[section 214A.2](#). However, a person advertising E-9 or E-10~~
34 ~~gasoline may only designate it as ethanol blended gasoline. A~~
35 ~~person advertising ethanol blended gasoline formulated with a~~

~~1 percentage of between seventy and eighty-five percent by volume
2 of ethanol shall designate it as E-85. A person shall not
3 knowingly falsely advertise ethanol blended gasoline by using
4 an inaccurate designation in violation of this subparagraph.~~

~~5 (2) A person shall not knowingly falsely advertise
6 biobutanol blended gasoline by using an inaccurate designation
7 as provided in [section 214A.2](#).~~

~~8 (3) A person shall not knowingly falsely advertise
9 biodiesel fuel by using an inaccurate designation as provided
10 in [section 214A.2](#).~~

11 Sec. 17. Section 214A.5, subsection 2, Code 2022, is amended
12 to read as follows:

13 2. A wholesale dealer selling ethanol blended gasoline,
14 biobutanol blended gasoline, or biodiesel blended fuel to
15 a purchaser shall provide the purchaser with a statement
16 indicating its ~~designation~~ classification as provided in
17 section 214A.2. The statement may be on the sales slip
18 provided in [this section](#) or a similar document, including but
19 not limited to a bill of lading or invoice.

20 Sec. 18. Section 214A.16, Code 2022, is amended to read as
21 follows:

22 **214A.16 Notice of renewable fuel — decal.**

~~23 1. a. If ethanol blended gasoline is sold from a motor
24 fuel pump, the motor fuel pump shall have affixed a decal
25 identifying the ethanol blended gasoline.~~

~~26 b. If the motor fuel pump dispenses ethanol blended gasoline
27 classified as E-11 to E-15 for use in gasoline-powered vehicles
28 not required to be flexible fuel vehicles, the motor fuel pump
29 shall have affixed a decal as prescribed by the United States
30 environmental protection agency.~~

~~31 c. 1. a. If the motor fuel pump dispenses ethanol blended
32 gasoline classified as higher than standard ethanol blended
33 gasoline pursuant to [section 214A.2](#) is advertised for sale or
34 sold at a retail motor fuel site, the motor fuel dispenser
35 dispensing the ethanol blended gasoline shall be affixed with a~~

1 ~~decal shall contain language~~ stating that the classification
2 of the ethanol blended gasoline is for use in flexible fuel
3 vehicles.

4 ~~d.~~ b. If biobutanol blended gasoline is advertised for sale
5 or sold from at a retail motor fuel site, the motor fuel pump,
6 the motor fuel pump dispenser dispensing the biobutanol blended
7 gasoline shall have be affixed with a decal identifying the
8 classification of biobutanol blended gasoline.

9 ~~e.~~ ~~If biodiesel fuel is sold from a motor fuel pump, the~~
10 ~~motor fuel pump shall have affixed a decal identifying the~~
11 ~~biodiesel fuel as provided in 16 C.F.R. pt. 306.~~

12 2. The design and location of the decal shall be prescribed
13 by rules adopted by the department. A decal identifying a
14 renewable fuel shall be consistent with standards adopted
15 pursuant to [section 159A.6](#). The department may approve an
16 application to place a decal in a special location on a ~~pump~~
17 dispenser or container or use a decal with special lettering
18 or colors, if the decal appears clear and conspicuous to the
19 consumer. The application shall be made in writing pursuant to
20 procedures adopted by the department.

21 Sec. 19. Section 452A.12, subsection 2, Code 2022, is
22 amended to read as follows:

23 2. A person while transporting motor fuel or undyed special
24 fuel from a refinery or marine or pipeline terminal in this
25 state or from a point outside this state over the highways
26 of this state in service other than that under subsection
27 1 shall carry in the vehicle a loading invoice showing the
28 name and address of the seller or consignor, the date and
29 place of loading, and the kind and quantity of motor fuel or
30 special fuel loaded, together with invoices showing the kind
31 and quantity of each delivery and the name and address of each
32 purchaser or consignee. An invoice carried pursuant to this
33 subsection for ethanol blended gasoline or biodiesel blended
34 fuel shall state its ~~designation~~ classification as provided in
35 section 214A.2.

1 with a person who applies to use the logo. An agreement cannot
2 be for more than five years. DALs must evaluate and approve or
3 disapprove applications based on criteria established by rule.
4 DALs may also establish application and license fees by rule.

5 CHOOSE IOWA FUND. A choose Iowa fund (fund) is established
6 in the state treasury under DALs' management and control. The
7 fund includes moneys that DALs collects in fees or otherwise
8 receives, including by appropriation or gift. DALs must use
9 the moneys exclusively to carry out the provisions of the bill.

10 PESTICIDE REGULATION. The bill amends Code chapter 206,
11 "the Pesticide Act of Iowa" (Code section 206.1) which in part
12 regulates commercial and private applicators. Generally,
13 a person in business as a commercial applicator (applying
14 pesticides to another person's land) must be certified and
15 licensed (Code sections 206.5 and 206.6). A private applicator
16 (e.g., a farmer) applying a restricted use pesticide must
17 be certified (Code section 206.5). During the last regular
18 session, the general assembly enacted SF 482 (2021 Acts,
19 chapter 28) which in part provides that a private applicator is
20 subject to the same civil penalty as a commercial applicator
21 for violating a provision of the Code chapter (amended Code
22 section 206.19). The Act provided that the amount for each
23 violation committed by a commercial applicator or private
24 applicator cannot exceed \$500 for each violation. The bill
25 amends the provision by changing the term from "violation" back
26 to "offense".

27 MOTOR FUEL REGULATION — BACKGROUND. DALs regulates persons
28 advertising for sale or selling motor fuel on a wholesale
29 or retail basis (Code chapter 214A) as well as motor fuel
30 infrastructure used to store and dispense motor fuel at a
31 retail motor fuel site owned or operated by a retail dealer
32 and, in particular, metered motor fuel pumps located at a
33 retail motor fuel site (Code chapter 214). Three types of
34 motor fuel are regulated by DALs, including gasoline and diesel
35 fuel (Code section 214A.2), and kerosene (Code sections 214A.2

1 and 214A.2A) as well as their respective components. A biofuel
2 is a component used to formulate a motor fuel and is closely
3 associated with formulations of both gasoline and diesel fuel.
4 A renewable fuel is a term which refers to either a biofuel
5 or a motor fuel blended with a biofuel. A biofuel includes
6 ethanol which is grain alcohol (e.g., derived from corn) used
7 to produce ethanol blended gasoline, biobutanol which is
8 isobutyl or n-butyl alcohol (derived from the same feedstocks
9 as ethanol but includes corn stover) used to produce biobutanol
10 blended gasoline, and biodiesel which is often a vegetable oil
11 (e.g., derived from soybeans) used to produce biodiesel blended
12 fuel. DALS establishes standards for these motor fuels and
13 their components based on two outside sources of authority:
14 (1) specifications recommended by ASTM international, a
15 private globally recognized organization, and (2) requirements
16 adopted by the United States environmental protection agency
17 (EPA). The EPA and the United States federal trade commission
18 (FTC) also regulate the labeling of motor fuel dispensers by
19 requiring information about the motor fuel to be dispensed,
20 such as the octane level of gasoline and the percentage content
21 of any biofuel component (42 U.S.C. §7545 and 40 C.F.R. pt.
22 1090, 15 U.S.C. §2801 et seq., 42 U.S.C. §17021, 16 C.F.R.
23 pt. 306, and 40 C.F.R. §80.1501(a)). DALS' regulation of a
24 renewable fuel depends upon its classification expressed as an
25 abbreviation identifying the renewable fuel according to type
26 followed by a number representing the biofuel percentage by
27 volume usually measured by gallon. The designation "xx" is
28 used as a stand-in designation for the actual percentage of a
29 biofuel percentage threshold (amended Code section 214A.2(5))
30 depending upon the Code provision (e.g., the E-15 plus gasoline
31 promotion tax credit in Code section 422.11Y). One special
32 exception is E-85 gasoline which is based on a percentage range
33 of between 70 and 85 percent by volume of ethanol.

34 MOTOR FUEL REGULATION — REVISION OF TERMS. The bill revises
35 certain terms, including by changing "A.S.T.M. international"

1 to "ASTM international" and defining "biodiesel" by referring
2 to its production method (amended Code section 214A.1).
3 The bill provides for the consistent use of certain terms,
4 including "specifications" which refers to recommendations
5 adopted by ASTM international, "requirements" which refers to
6 EPA regulations, and "standards" which refers to departmental
7 rules (amended Code section 214A.2). The bill also provides
8 for the consistent use of the term "standard" which is
9 occasionally referred to as "designation" (amended Code
10 sections 214A.2A, 214A.3, 214A.5, 452A.12, and 455G.31). The
11 bill provides that a label is to be placed on a "motor fuel
12 dispenser" rather than a "motor fuel pump" (amended Code
13 section 214A.16).

14 MOTOR FUEL REGULATION — DEPARTMENTAL STANDARDS. The
15 bill provides that the minimum octane rating for premium
16 grade gasoline is changed from 90 to 91 (amended Code
17 section 214A.2(2)). For all three types of motor fuel,
18 departmental standards may be based in part or in whole on
19 ASTM international specifications, and may include successor
20 specifications. The bill eliminates a requirement recognizing
21 that EPA must grant a seasonal waiver from its requirements
22 before a retail dealer may advertise for sale or sell ethanol
23 blended gasoline (amended Code section 214A.2(3)). The
24 threshold for ethanol blended gasoline is increased from E-9 to
25 E-10 (amended Code section 214A.2(3)) and from B-1 to B-5 for
26 biodiesel blended motor fuel (amended Code section 214A.2(4)).

27 MOTOR FUEL REGULATION — CLASSIFICATIONS. The bill
28 adds subclassifications for biofuels including for ethanol
29 classified as E-100, biobutanol classified as Bu-100, and
30 biodiesel classified as B-100. The bill also recognizes E-85
31 according to its revised percentage range, which is 68 to 83
32 percent.

33 MOTOR FUEL REGULATION — ADVERTISING. The bill revises
34 a provision which prohibits a person from knowingly falsely
35 advertising for sale motor fuel (amended Code section 214A.3).

1 The bill replaces a provision that prohibits a person from
2 falsely advertising that a motor fuel is or is not a renewable
3 fuel with a provision that prohibits a person from falsely
4 advertising the classification of a renewable fuel. The bill
5 also eliminates a requirement that a motor fuel pump (motor
6 fuel dispenser) be affixed with a label that identifies the
7 dispensed gasoline as ethanol blended gasoline (e.g., E-10),
8 that identifies ethanol blended gasoline classified from E-11
9 to E-15, or that identifies dispensed diesel fuel as biodiesel
10 blended fuel. The bill retains a state requirement that a
11 motor fuel dispenser identify gasoline classified as higher
12 than E-15 (e.g., E-85) or any classification of biobutanol
13 blended gasoline. The bill does not affect federal labeling
14 requirements.

15 APPLICABLE PENALTIES. A person who violates a provision
16 of Code chapter 214A is guilty of a serious misdemeanor. A
17 serious misdemeanor is punishable by confinement for no more
18 than one year and a fine of at least \$430 but not more than
19 \$2,560. However, the state may initiate a substitute civil
20 enforcement action as an administrative action by DALs or as
21 a judicial proceeding by the attorney general upon referral
22 by DALs. The civil penalty must be for at least \$100 but
23 not more than \$1,000 for each violation and each day of a
24 continuing violation constitutes a separate offense (Code
25 section 214A.11).