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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 634

02/18/2013 Authored by Falk, Atkins and Hoppe

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

03/18/2013 Adoption of Report: Pass as Amended and Read Second Time

1.1 A bill for an act
1.2 relating to commerce; weights and measures; adding a requirement for identical
1.3 product pricing; making technical updates to bring state into compliance with
1.4 most recent federal fuel standards; establishing a minimum octane rating;
1.5 modifying disclosure requirements for biodiesel and biofuel blends; modifying
1.6 E85 requirements; amending Minnesota Statutes 2012, sections 239.751, by
1.7 adding a subdivision; 239.761, subdivisions 3, 4, 5, 6, 7, 8, 10, 11, 13, 16,
1.8 17, by adding a subdivision; 239.77, subdivisions 1, 4; 239.791, subdivision
1.9 8; 296A.01, subdivision 19.

1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.11 Section 1. Minnesota Statutes 2012, section 239.751, is amended by adding a
1.12 subdivision to read:

1.13 Subd. 9. Identical pricing product requirement. Petroleum product dispensed
1.14 from a single storage tank or from multiple storage tanks that are joined in such a manner
1.15 that the product is commingled while still in the tanks must have an identical base price at
1.16 each retail dispenser from which it is offered for sale. This requirement does not preclude
1.17 the application of discounts for cash, self-service, customer loyalty programs, or other
1.18 discount programs on any basis except octane to the base price at each dispenser.

1.19 For the purpose of this subdivision, "base price" means the highest unit price of a
1.20 petroleum product dispensed from a single storage tank or from multiple storage tanks
1.21 that are joined in such a manner that the product is commingled while still in the tanks,
1.22 including taxes and fees, and before the application of discounts, including, but not limited
1.23 to, discounts for cash, self-service, customer loyalty programs, and coupons.

1.24 Sec. 2. Minnesota Statutes 2012, section 239.761, subdivision 3, is amended to read:

2.1 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with ethanol must not be
2.2 contaminated with water or other impurities and must comply with ASTM specification
2.3 ~~D4814-08b~~ D4814-11b. Gasoline that is not blended with ethanol must also comply with
2.4 the volatility requirements in Code of Federal Regulations, title 40, part 80.

2.5 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or
2.6 terminal, a person responsible for the product:

2.7 (1) may blend the gasoline with agriculturally derived ethanol as provided in
2.8 subdivision 4;

2.9 (2) shall not blend the gasoline with any oxygenate other than denatured,
2.10 agriculturally derived ethanol;

2.11 (3) shall not blend the gasoline with other petroleum products that are not gasoline
2.12 or denatured, agriculturally derived ethanol;

2.13 (4) shall not blend the gasoline with products commonly and commercially known
2.14 as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or
2.15 natural gasoline; and

2.16 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an
2.17 additive designed to replace tetra-ethyl lead, that is registered by the EPA.

2.18 Sec. 3. Minnesota Statutes 2012, section 239.761, subdivision 4, is amended to read:

2.19 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended
2.20 with agriculturally derived, denatured ethanol that complies with the requirements of
2.21 subdivision 5.

2.22 (b) A gasoline-ethanol blend must:

2.23 (1) comply with the volatility requirements in Code of Federal Regulations, title
2.24 40, part 80;

2.25 (2) comply with ASTM specification ~~D4814-08b~~ D4814-11b, or the gasoline base
2.26 stock from which a gasoline-ethanol blend was produced must comply with ASTM
2.27 specification ~~D4814-08b~~ D4814-11b; and

2.28 (3) not be blended with casinghead gasoline, absorption gasoline, condensation
2.29 gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold,
2.30 transferred, or otherwise removed from a refinery or terminal.

2.31 Sec. 4. Minnesota Statutes 2012, section 239.761, subdivision 5, is amended to read:

2.32 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline
2.33 must be agriculturally derived and must comply with ASTM specification ~~D4806-08~~

3.1 D4806-11a. This includes the requirement that ethanol may be denatured only as specified
3.2 in Code of Federal Regulations, title 27, parts 20 and 21.

3.3 Sec. 5. Minnesota Statutes 2012, section 239.761, subdivision 6, is amended to read:

3.4 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible
3.5 for the product shall comply with the following requirements:

3.6 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in
3.7 total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for
3.8 sale at any time in this state; and

3.9 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
3.10 paragraph (b) must not be sold or offered for sale in this state.

3.11 (b) The oxygenates prohibited under paragraph (a) are:

3.12 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

3.13 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

3.14 (3) tertiary amyl methyl ether.

3.15 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
3.16 specification ~~D4814-08b~~ D4814-11b. Nonethanol oxygenates must not be blended into
3.17 gasoline after the gasoline has been sold, transferred, or otherwise removed from a
3.18 refinery or terminal.

3.19 Sec. 6. Minnesota Statutes 2012, section 239.761, subdivision 7, is amended to read:

3.20 Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification
3.21 ~~D396-08b~~ D396-12.

3.22 Sec. 7. Minnesota Statutes 2012, section 239.761, subdivision 8, is amended to read:

3.23 Subd. 8. **Diesel fuel oil.** ~~Diesel fuel oil must comply with ASTM specification~~
3.24 ~~D975-07b~~. (a) When diesel fuel oil is not blended with biodiesel, it must comply with
3.25 ASTM specification D975-12a.

3.26 (b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel
3.27 component must comply with ASTM specification D975-12a and the biodiesel component
3.28 must comply with ASTM specification D675-11b.

3.29 Sec. 8. Minnesota Statutes 2012, section 239.761, subdivision 10, is amended to read:

3.30 Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM
3.31 specification ~~D910-07a~~ D910-11.

4.1 Sec. 9. Minnesota Statutes 2012, section 239.761, subdivision 11, is amended to read:

4.2 Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must
4.3 comply with ASTM specification ~~D1655-08a~~ D1655-12.

4.4 Sec. 10. Minnesota Statutes 2012, section 239.761, subdivision 13, is amended to read:

4.5 Subd. 13. **E85.** A blend of ethanol and gasoline, containing ~~at least 60 percent~~
4.6 ~~ethanol~~ and not more than 85 percent ethanol, produced for use as a motor fuel in
4.7 alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with
4.8 ASTM specification ~~D5798-07~~ D5798-11.

4.9 Sec. 11. Minnesota Statutes 2012, section 239.761, subdivision 16, is amended to read:

4.10 Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable,
4.11 biodegradable, mono alkyl ester combustible liquid that is derived from agricultural plant
4.12 oils or animal fats and that meets American Society for Testing and Materials (ASTM)
4.13 specification ~~D6751-08~~ D6751-11b for Biodiesel Fuel (B100) Blend Stock for Distillate
4.14 Fuels.

4.15 Sec. 12. Minnesota Statutes 2012, section 239.761, subdivision 17, is amended to read:

4.16 Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation
4.17 gasoline must comply with ASTM specification ~~D6227-04a~~ D6227-12.

4.18 Sec. 13. Minnesota Statutes 2012, section 239.761, is amended by adding a subdivision
4.19 to read:

4.20 Subd. 18. **Minimum octane rating.** The minimum (R+M)/2 octane rating grades
4.21 for petroleum products under subdivision 3, 4, 4a, 4b, or 6 sold to an end user shall be
4.22 no less than 87.

4.23 Sec. 14. Minnesota Statutes 2012, section 239.77, subdivision 1, is amended to read:

4.24 Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel
4.25 fuel and biodiesel fuel between six percent and 20 percent for on-road and off-road
4.26 diesel-fueled vehicle use. Biodiesel blend must comply with ASTM specification
4.27 ~~D7467-08~~ D7467-10.

4.28 (b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible
4.29 liquid fuel that is derived from agricultural and other plant oils or animal fats and that
4.30 meets American Society for Testing and Materials specification ~~D6751-08~~ D6751-11b for
4.31 Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

5.1 (c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this
5.2 section, unless the palm oil is contained within waste oil and grease collected within the
5.3 United States or Canada.

5.4 Sec. 15. Minnesota Statutes 2012, section 239.77, subdivision 4, is amended to read:

5.5 Subd. 4. **Disclosure.** (a) A refinery or terminal shall provide, at the time diesel fuel
5.6 is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest
5.7 to the person who receives the fuel. For biodiesel-blended products, the bill of lading or
5.8 shipping manifest must disclose biodiesel content, stating volume percentage, gallons of
5.9 biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation
5.10 where "xx" denotes the volume percent biodiesel included in the blended product. This
5.11 subdivision does not apply to sales or transfers of biodiesel blend stock between refineries,
5.12 between terminals, or between a refinery and a terminal.

5.13 (b) A delivery ticket required under section 239.092 for a biodiesel blend must state
5.14 the volume percent of biodiesel blended into the diesel fuel delivered through a meter into
5.15 a storage tank used for dispensing into motor vehicles powered by an internal combustion
5.16 engine and not exempt under subdivision 3.

5.17 Sec. 16. Minnesota Statutes 2012, section 239.791, subdivision 8, is amended to read:

5.18 Subd. 8. **Disclosure.** (a) A refinery or terminal, shall provide, at the time gasoline
5.19 is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest
5.20 to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or
5.21 shipping manifest must include the identity and the volume percentage or gallons of
5.22 oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate.
5.23 Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated
5.24 gasoline sold or transferred after September 30, 1997, the bill or manifest must state:
5.25 "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision
5.26 does not apply to sales or transfers of gasoline between refineries, between terminals, or
5.27 between a refinery and a terminal.

5.28 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline
5.29 must state the volume percent of biofuel blended into gasoline delivered through a meter
5.30 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14.

5.31 Sec. 17. Minnesota Statutes 2012, section 296A.01, subdivision 19, is amended to read:

5.32 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally
5.33 derived denatured ethanol and gasoline or natural gasoline that typically contains not more

6.1 than 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by
6.2 volume. For the purposes of this chapter, the energy content of E85 will be considered to be
6.3 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
6.4 as defined in subdivision 5 must comply with ASTM specification ~~D5798-07~~ D5798-11.

6.5 Sec. 18. **EFFECTIVE DATE.**

6.6 Sections 1 to 17 are effective the day following final enactment.