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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3125

03/14/2016 Authored by Anderson, P.; Hamilton; Poppe and Johnson, C.,
The bill was read for the first time and referred to the Committee on Agriculture Policy
03/24/2016 Adoption of Report: Amended and re-referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to renewable resources; establishing a renewable standard for certain
1.3 lubricating oils; proposing coding for new law in Minnesota Statutes, chapter 239.

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

1.5 Section 1. **[239.772] LUBRICATING OIL RENEWABLE CONTENT.**

1.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
1.7 have the meanings given.

1.8 (b) "ASTM" means the American Society for Testing and Materials.

1.9 (c) "Biobased content" means the amount of biobased carbon within a lubricating
1.10 oil, expressed as a percent of total weight of the organic carbon within the product, as
1.11 determined by using the ASTM D6866-12, the standard test methods for determining the
1.12 biobased content of solid, liquid, and gaseous samples using radiocarbon analysis, as that
1.13 test method read on January 1, 2013. Biobased content may be: (1) composed, in whole
1.14 or in significant part, of biological products, including renewable agricultural materials,
1.15 algae, or forestry materials; or (2) an intermediate ingredient or feedstock material or
1.16 compound made in whole or in significant part from biological products, including
1.17 renewable agricultural materials; plant, animal, or marine materials; algae; or forestry
1.18 materials, that are subsequently used to make a more complex compound or product.

1.19 (d) "Biodegradable" means:

1.20 (1) a substance that, within 28 days of use, meets one of the requirements under
1.21 clause (2), as determined under one of the following test methods, as those test methods
1.22 read on January 1, 2013:

1.23 (i) OECD Test No. 301 A-F;

1.24 (ii) OECD Test No. 306;

- 2.1 (iii) OECD Test No. 310;
2.2 (iv) ASTM D5864-2006 standard test method; or
2.3 (v) ASTM D7373-2007 standard test method; and
2.4 (2) the substance:
2.5 (i) can demonstrate the removal of at least 70 percent of dissolved organic carbon;
2.6 (ii) produces at least 60 percent theoretical carbon dioxide; or
2.7 (iii) consumes at least 60 percent of the theoretical oxygen demand.
2.8 (e) "Renewable lubricating oil" means lubricating oil that consists of a biobased
2.9 content.
2.10 (f) "Lubricating oil" means oil intended for use in passenger cars, light-duty trucks,
2.11 or vans.
2.12 (g) "Minimal federal standards for biodegradability" means that the amount of
2.13 biobased content within the lubricating oil is not less than 25 percent and the biobased
2.14 content is biodegradable.
2.15 (h) "OECD" means the Organization for Economic Co-operation and Development.
2.16 Subd. 2. **Renewable lubricating oil requirements.** (a) A person shall not sell
2.17 lubricating oil in this state unless the lubricating oil meets the following requirements:
2.18 (1) the lubricating oil meets or exceeds the minimal federal standards for
2.19 biodegradability; and
2.20 (2) at the time of the sale, the lubricating oil is certified to meet current automotive
2.21 industry standards by the American Petroleum Institute's Engine Oil Licensing and
2.22 Certification System or another comparable certification program.
2.23 (b) The commissioner of commerce shall determine the market price of lubricating
2.24 oil and the market price of renewable lubricating oil at various locations throughout the
2.25 region. The commissioner shall report market price differences to the governor. The
2.26 report must also include an analysis of the life-cycle of renewable lubricating oil and
2.27 other lubricating oil and oil-drain intervals, fuel economy benefits, engine durability, and
2.28 other performance benefits of renewable lubricating oil and other lubricating oil. The
2.29 governor, after consultation with the commissioners of commerce and agriculture, may
2.30 by executive order reduce the minimum requirement for biobased content in renewable
2.31 lubricating oils to a lower percentage than is required under the minimal federal standards
2.32 for biodegradability if a price disparity reported by the commissioner is likely to cause
2.33 economic hardship to retailers of renewable lubricating oil in the state. Any adjustment
2.34 must be for a specified period of time, after which the percentage of renewable lubricating
2.35 oil shall return to the amount required under this subdivision. The governor shall not
2.36 reduce the renewable lubricating oil mandate to less than five percent.

3.1 (c) The commissioner of commerce may temporarily suspend the renewable
3.2 lubricating oil minimum content requirement under this subdivision if the commissioner
3.3 determines that a sufficient supply of renewable lubricating oil is not available or adequate
3.4 manufacturing infrastructure for renewable lubricating oil does not exist and would
3.5 negatively impact renewable lubricating oil quality and cause economic disruption.

3.6 Subd. 3. Exemptions. (a) A lubricating oil manufacturer is exempt from the
3.7 renewable lubricating oil minimum requirements under subdivision 2 if the manufacturer's
3.8 gross sales of all lubricating oil in the previous calendar year in this state do not exceed
3.9 \$1,000,000.

3.10 (b) A specialty lubricating oil is exempt from subdivision 2 if the gross sales of the
3.11 specialty lubricating oil do not exceed \$100,000 in the previous calendar year.

3.12 (c) A lubricating oil is exempt from subdivision 2 until January 1, 2022, if that
3.13 product was on the premises of a retail outlet for point-of-sale purchases by July 1, 2019.

3.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.