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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 1615

March 12, 2009
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The bill was read for the first time and referred to the Committee on Commerce and Labor

A bill for an act

relating to commerce; weights and measures; updating petroleum standards; establishing standards for biodiesel blends and fuels; amending Minnesota Statutes 2008, sections 239.761, subdivisions 3, 4, 5, 6, 7, 8, 9, 11, 16; 239.77, subdivision 1; 296A.01, subdivisions 8, 14, 20, 23, 24, 26, 28.

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

Section 1. Minnesota Statutes 2008, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-07b~~ D4814-08b. Gasoline that is not blended with ethanol must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 80.

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2008, section 239.761, subdivision 4, is amended to read:

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

(b) A gasoline-ethanol blend must:

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

(2) comply with ASTM specification ~~D4814-07b~~ D4814-08b, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-07b~~ D4814-08b; and

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

Sec. 3. Minnesota Statutes 2008, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-07a~~ D4806-08. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 4. Minnesota Statutes 2008, section 239.761, subdivision 6, is amended to read:

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

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

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

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

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

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

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-07b~~ D4814-08b. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 5. Minnesota Statutes 2008, section 239.761, subdivision 7, is amended to read:

Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification ~~D396-07~~ D396-08b.

Sec. 6. Minnesota Statutes 2008, section 239.761, subdivision 8, is amended to read:

Subd. 8. **Diesel fuel oil.** Diesel fuel oil must comply with ASTM specification ~~D975-07b~~ D975-08a.

Sec. 7. Minnesota Statutes 2008, section 239.761, subdivision 9, is amended to read:

Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-07~~ D3699-08.

Sec. 8. Minnesota Statutes 2008, section 239.761, subdivision 11, is amended to read:

Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply with ASTM specification ~~D1655-07e1~~ D1655-08a.

Sec. 9. Minnesota Statutes 2008, section 239.761, subdivision 16, is amended to read:

Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials (ASTM) specification ~~D6751-07b~~ D6751-08 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

Sec. 10. Minnesota Statutes 2008, section 239.77, subdivision 1, is amended to read:

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

(b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets American Society for Testing and Materials specification ~~D6751-07b~~ D6751-08 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

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

Sec. 11. Minnesota Statutes 2008, section 296A.01, subdivision 8, is amended to read:

Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications in ASTM specification ~~D1655-07c1~~ D1655-08a.

Sec. 12. Minnesota Statutes 2008, section 296A.01, subdivision 14, is amended to read:

Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of petroleum distillate and residual fuels that is intended for use as a motor fuel in internal combustion diesel engines and that meets ASTM specification ~~D975-07b~~ D975-08a.

Sec. 13. Minnesota Statutes 2008, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-07a~~ D4806-08. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 14. Minnesota Statutes 2008, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-07b~~ D4814-08b.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-07b~~ D4814-08b and the volatility requirements in Code of Federal Regulations, title 40, part 80.

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

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

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

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

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

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

Sec. 15. Minnesota Statutes 2008, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-07b~~ D4814-08b. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 16. Minnesota Statutes 2008, section 296A.01, subdivision 26, is amended to read:

Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of petroleum distillates and residuals, or petroleum residual heating fuel that meets the specifications in ASTM specification ~~D396-07~~ D396-08b.

Sec. 17. Minnesota Statutes 2008, section 296A.01, subdivision 28, is amended to read:

Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic compounds, and excessive amounts of particulate contaminants and that meets the specifications in ASTM specification ~~D3699-07~~ D3699-08.