1 TO: Senator Johnson, D.E., Chair

2 Committee on Rules and Administration

3 Senator Rest,

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4 Chair of the Subcommittee on Bill Referral, to which was 5 referred under Rule 21, together with the committee report 6 thereon,

S.F. No. 4: A bill for an act relating to agriculture;
increasing minimum ethanol content required for gasoline sold in
the state; amending Minnesota Statutes 2004, sections 239.761,
subdivision 4; 239.791, subdivision 1; 296A.01, subdivisions 2,
25.

12 Reports the same back with the recommendation that the 13 report from the Committee on Agriculture, Veterans and Gaming, 14 shown in the Journal for January 19, 2005, be amended to read:

15 "the bill be amended and when so amended the bill do pass 16 and be re-referred to the Committee on Environment and Natural 17 Resources". Report adopted.

(Committee Chair)

## Senator Vickerman from the Committee on Agriculture, 1 Veterans and Gaming, to which was referred 2

s.F. No. 4: A bill for an act relating to agriculture; 3 increasing minimum ethanol content required for gasoline sold in 4 the state; amending Minnesota Statutes 2004, sections 239.761, 5 subdivision 4; 239.791, subdivision 1; 296A.01, subdivisions 2, 6 7 25.

Reports the same back with the recommendation that the bill 8 be amended as follows: 9

Delete everything after the enacting clause and insert: 10 "Section 1. Minnesota Statutes 2004, section 239.791, 11 subdivision 1, is amended to read: 12

[MINIMUM ETHANOL CONTENT REQUIRED.] (a) Subdivision 1. 13 Except as provided in subdivisions 10 to 14, a person 14 responsible for the product shall ensure that all gasoline sold 15 or offered for sale in Minnesota must contain at least 10.0 16 percent denatured ethanol by volume. 17

(b) For purposes of enforcing the minimum ethanol 18 requirement of paragraph (a), a gasoline/ethanol blend will be 19 construed to be in compliance if the ethanol content, exclusive 20 of denaturants and permitted contaminants, comprises not less 21 than 9.2 percent by volume and not more than 10.0 percent by 22 volume of the blend as determined by an appropriate United 23 States Environmental Protection Agency or American Society of 24 Testing Materials standard method of analysis of alcohol/ether 25 26 content in motor fuels.

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(c) This subdivision expires on January 1, 2012, if subdivision 1a is effective on that date. 28

Minnesota Statutes 2004, section 239.791, is Sec. 2. 29 amended by adding a subdivision to read: 30

31 Subd. 1a. [MINIMUM ETHANOL CONTENT REQUIRED.] (a) Except as provided in subdivisions 10 to 14, on January 1, 2012, and 32 33 thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must 34 contain at least 20 percent denatured ethanol by volume. 35 (b) For purposes of enforcing the minimum ethanol 36

37 requirement of paragraph (a), a gasoline/ethanol blend will be 38 construed to be in compliance if the ethanol content, exclusive 39 of denaturants and permitted contaminants, comprises not less

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1	than 18.4 percent by volume and not more than 20 percent by
2	volume of the blend as determined by an appropriate United
3	States Environmental Protection Agency or American Society of
4	Testing Materials standard method of analysis of alcohol content
5	in motor fuels.
6	(c) This subdivision expires on December 31, 2010, if by
7	that date the commissioner of agriculture certifies and
8	publishes the certification in the State Register that at least
9	20 percent of the volume of gasoline sold in the state is
10	denatured ethanol.
11	Sec. 3. [239.7911] [PETROLEUM REPLACEMENT PROMOTION.]
12	Subdivision 1. [PETROLEUM REPLACEMENT GOAL.] The petroleum
13	replacement goal of the State of Minnesota is that at least 20
14	percent of the liquid fuel sold in the state is derived from
15	renewable sources by December 31, 2015.
16	Subd. 2. [PROMOTION OF RENEWABLE LIQUID FUELS.] (a) The
17	commissioner of agriculture, in consultation with the
18	commissioners of commerce and the pollution control agency,
19	shall identify and implement activities necessary for the
20	widespread use of renewable liquid fuels in the state.
21	Beginning November 1, 2005, and continuing through 2015, the
22	commissioners, or their designees, shall work with
23	representatives from the renewable fuels industry, petroleum
24	retailers, refiners, automakers, small engine manufacturers, and
25	other interested groups, to develop annual recommendations for
26	administrative and legislative action.
27	(b) The activities of the commissioners under this
28	subdivision shall include, but not be limited to:
29	(1) developing recommendations for incentives for retailers
30	to install equipment necessary for dispensing renewable liquid
31	fuels to the public;
32	(2) obtaining federal approval for the use of E20 as
33	gasoline;
34	(3) developing recommendations for ensuring that motor
35	vehicles and small engine equipment have access to an adequate
36	supply of fuel;

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(4) working with the owners and operators of large 1 corporate automotive fleets in the state to increase their use 2 3 of renewable fuels; and (5) working to maintain an affordable retail price for 4 5 liquid fuels. [EFFECTIVE DATE.] This section is effective the day 6 7 following final enactment." 8 Delete the title and insert: "A bill for an act relating to agriculture; increasing minimum ethanol content required for gasoline sold in the state; establishing a petroleum replacement goal; amending Minnesota 9 10 11 Statutes 2004, section 239.791, subdivision 1, by adding a 12 subdivision; proposing coding for new law in Minnesota Statutes, chapter 239." 13 14

15 And when so amended the bill do pass. Amendments adopted. 16 Report adopted.

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(Committee Chair) January 12, 2005.....

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(Date of Committee recommendation)

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ADOPTED BY THE SENATE STATE OF MINNESOTA Patrick Flaham