

Version as sent to Governor

1 A bill for an act
2 relating to agriculture; increasing minimum ethanol
3 content required for gasoline sold in the state;
4 establishing a petroleum replacement goal; requiring
5 studies and reports; amending Minnesota Statutes 2004,
6 section 239.791, subdivision 1, by adding a
7 subdivision; proposing coding for new law in Minnesota
8 Statutes, chapter 239.

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

10 Section 1. Minnesota Statutes 2004, section 239.791,
11 subdivision 1, is amended to read:

12 Subdivision 1. [MINIMUM ETHANOL CONTENT REQUIRED.] (a)
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 content in motor fuels.

26 (c) The provisions of this subdivision are suspended during
27 any period of time that subdivision 1a, paragraph (a), is in

1 effect.

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

4 Subd. 1a. [MINIMUM ETHANOL CONTENT REQUIRED.] (a) Except
5 as provided in subdivisions 10 to 14, on August 30, 2013, and
6 thereafter, a person responsible for the product shall ensure
7 that all gasoline sold or offered for sale in Minnesota must
8 contain at least 20 percent denatured ethanol by volume.

9 (b) For purposes of enforcing the minimum ethanol
10 requirement of paragraph (a), a gasoline/ethanol blend will be
11 construed to be in compliance if the ethanol content, exclusive
12 of denaturants and permitted contaminants, comprises not less
13 than 18.4 percent by volume and not more than 20 percent by
14 volume of the blend as determined by an appropriate United
15 States Environmental Protection Agency or American Society of
16 Testing Materials standard method of analysis of alcohol content
17 in motor fuels.

18 (c) No motor fuel shall be deemed to be a defective product
19 by virtue of the fact that the motor fuel is formulated or
20 blended pursuant to the requirements of paragraph (a) under any
21 theory of liability except for simple or willful negligence or
22 fraud. This paragraph does not preclude an action for
23 negligent, fraudulent, or willful acts. This paragraph does not
24 affect a person whose liability arises under chapter 115, water
25 pollution control; 115A, waste management; 115B, environmental
26 response and liability; 115C, leaking underground storage tanks;
27 or 299J, pipeline safety; under public nuisance law for damage
28 to the environment or the public health; under any other
29 environmental or public health law; or under any environmental
30 or public health ordinance or program of a municipality as
31 defined in section 466.01.

32 (d) This subdivision expires on December 31, 2010, if by
33 that date:

34 (1) the commissioner of agriculture certifies and publishes
35 the certification in the State Register that at least 20 percent
36 of the volume of gasoline sold in the state is denatured

1 ethanol; or

2 (2) federal approval has not been granted for the use of
3 E20 as gasoline. The United States Environmental Protection
4 Agency's failure to act on an application shall not be deemed
5 approval of the use of E20, or a waiver under section 211(f)(4)
6 of the Clean Air Act, United States Code, title 42, section
7 7545, subsection (f), paragraph (4).

8 Sec. 3. [239.7911] [PETROLEUM REPLACEMENT PROMOTION.]

9 Subdivision 1. [PETROLEUM REPLACEMENT GOAL.] The petroleum
10 replacement goal of the state of Minnesota is that at least 20
11 percent of the liquid fuel sold in the state is derived from
12 renewable sources by December 31, 2015.

13 Subd. 2. [PROMOTION OF RENEWABLE LIQUID FUELS.] (a) The
14 commissioner of agriculture, in consultation with the
15 commissioners of commerce and the Pollution Control Agency,
16 shall identify and implement activities necessary for the
17 widespread use of renewable liquid fuels in the state.
18 Beginning November 1, 2005, and continuing through 2015, the
19 commissioners, or their designees, shall work with
20 representatives from the renewable fuels industry, petroleum
21 retailers, refiners, automakers, small engine manufacturers, and
22 other interested groups, to develop annual recommendations for
23 administrative and legislative action.

24 (b) The activities of the commissioners under this
25 subdivision shall include, but not be limited to:

26 (1) developing recommendations for incentives for retailers
27 to install equipment necessary for dispensing renewable liquid
28 fuels to the public;

29 (2) obtaining federal approval for the use of E20 as
30 gasoline;

31 (3) developing recommendations for ensuring that motor
32 vehicles and small engine equipment have access to an adequate
33 supply of fuel;

34 (4) working with the owners and operators of large
35 corporate automotive fleets in the state to increase their use
36 of renewable fuels; and

1 (5) working to maintain an affordable retail price for
2 liquid fuels.

3 [EFFECTIVE DATE.] This section is effective the day
4 following final enactment.

5 Sec. 4. [REPORT ON E20 FUEL.]

6 The commissioner of agriculture, in consultation with the
7 commissioners of employment and economic development and the
8 Pollution Control Agency, shall review the information and data
9 collected in the evaluation of any federal waiver request for
10 the use of E20 fuel in Minnesota. The commissioner shall use
11 existing budgetary and staff resources in conducting the
12 review. The review must include:

13 (1) issues involving the use of E20 fuel if such fuel is
14 mandated in Minnesota;

15 (2) effects of E20 on development of Minnesota's ethanol
16 industry; and

17 (3) effects of E20 on Minnesota consumers.

18 The commissioner shall present an initial report to the
19 legislative committees having jurisdiction over agriculture and
20 environment policy and finance on the findings of the review to
21 the legislature by January 15, 2009, and present an updated
22 report to those committees on January 15, 2011.

23 Sec. 5. [SMALL ENGINE REPORT.]

24 The commissioner of commerce, in consultation with the
25 commissioner of agriculture, shall:

26 (1) solicit information from national experts and
27 stakeholders, which may include the United States Consumer
28 Product Safety Commission, and review scientific studies on the
29 use of E20 gasoline in motorcycles, outboard engines,
30 snowmobiles, lawn and garden products, and other consumer
31 equipment powered by small spark-ignited engines;

32 (2) inventory and assess the availability of gasoline not
33 blended with ethanol throughout the state for exempt uses under
34 Minnesota Statutes, section 239.791, subdivisions 10 to 14, and
35 make recommendations for addressing those areas in which the
36 commissioner finds unblended gasoline is not readily available

1 to consumers;

2 (3) develop recommendations for notifying consumers as to
3 the availability of gasoline not blended with ethanol in the
4 state, and the appropriate use of gasoline blended with ethanol
5 in small spark-ignited engines found in motorcycles, outboard
6 engines, snowmobiles, and lawn and garden products; and

7 (4) by January 15, 2008, report to the agriculture and
8 environmental policy committees of the house of representatives
9 and senate on information and activities required under clauses

10 (1) to (3).