

House Study Bill 185

1 Amend House Study Bill 185 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 MOTOR FUEL

6 PART A

7 STANDARDS AND CLASSIFICATIONS

8 Section 1. Section 214A.1, Code 2021, is amended by adding
9 the following new subsections:

10 NEW SUBSECTION. 8A. "*Clear diesel fuel*" means diesel fuel
11 that is not dyed under section 452A.3, subsection 3, paragraph
12 "b", and that is regularly sold to members of the general
13 public by retail dealers to power motor vehicles subject
14 to registration under chapter 321 to operate on the public
15 highways.

16 NEW SUBSECTION. 11A. "*Dispensing unit*" means equipment that
17 is part of motor fuel storage and dispensing infrastructure, if
18 the equipment includes a nozzle to control the flow of motor
19 fuel discharged from the motor fuel storage tank to an end
20 point including the fuel supply tank of a motor vehicle.

21 NEW SUBSECTION. 19A. "*Motor fuel storage and dispensing*
22 *infrastructure*" or "*infrastructure*" means a motor fuel storage
23 tank, motor fuel pump, and a dispensing unit necessary to store
24 and dispense, or store, blend, and dispense, motor fuel at
25 a retail motor fuel site, including but not limited to all
26 associated equipment, dispensing units, dispensers, pumps,
27 pipes, hoses, tubes, lines, fittings, valves, filters, seals,
28 and covers.

29 NEW SUBSECTION. 29A. "*Small retail dealer*" means a retail
30 dealer engaged in the business of storing and dispensing motor
31 fuel from a motor fuel pump for sale on a retail basis at fewer
32 than ten permanent retail motor fuel sites.

33 NEW SUBSECTION. 29B. "*Special use diesel fuel*" means clear
34 diesel fuel subject to restrictions based on a designated
35 classification as provided in section 214A.34.

1 NEW SUBSECTION. 29C. a. "*Special use gasoline*" means
2 unleaded gasoline that is subject to restrictions based on a
3 designated classification as provided in sections 214A.31 and
4 214A.32.

5 b. "*Special use gasoline*" does not include aviation gasoline
6 or racing fuel as those terms are defined in section 452A.2.

7 NEW SUBSECTION. 30A. "*Standard use diesel fuel*" means clear
8 diesel fuel that includes a required blend of biodiesel based
9 on a designated classification as provided in section 214A.34.

10 NEW SUBSECTION. 30B. a. "*Standard use gasoline*" means
11 unleaded gasoline that includes a required blend of ethanol
12 based on a designated classification as provided in sections
13 214A.31 and 214A.32.

14 b. "*Standard use gasoline*" does not include aviation
15 gasoline or racing fuel as those terms are defined in section
16 452A.2.

17 Sec. 2. Section 214A.1, subsections 11 and 16, Code 2021,
18 are amended to read as follows:

19 11. a. "*Diesel fuel*" means any liquid, other than gasoline,
20 ~~which is~~ suitable for use as a type of motor fuel for use in
21 a diesel fuel powered engine, including but not limited to a
22 motor vehicle, equipment as defined in section 322F.1, or a
23 train railroad locomotive, and which meets the standards and
24 classifications provided in section 214A.2.

25 b. ~~Diesel fuel~~ "*Diesel fuel*" includes a liquid product
26 prepared, advertised, offered for sale, or sold for use as,
27 or commonly and commercially used as, motor fuel for use in
28 an internal combustion engine and ignited by pressure without
29 the presence of an electric spark. ~~Diesel fuel must meet the~~
30 ~~standards provided in section 214A.2.~~

31 16. "*Gasoline*" means any liquid product prepared,
32 advertised, offered for sale, or sold for use as, or commonly
33 and commercially used as, a type of motor fuel for use in a
34 spark-ignition, internal combustion engine, and which meets
35 the specifications standards and classifications provided in

1 section 214A.2.

2 Sec. 3. Section 214A.1, subsection 30, Code 2021, is amended
3 by striking the subsection.

4 Sec. 4. NEW SECTION. 214A.1A Rules.

5 The department shall adopt rules necessary or desirable to
6 administer and enforce this chapter in conjunction with chapter
7 214.

8 Sec. 5. Section 214A.2, subsections 1 and 2, Code 2021, are
9 amended to read as follows:

10 1. The department shall adopt rules pursuant to ~~chapter~~
11 ~~17A for carrying out this chapter. The rules may include but~~
12 ~~are not limited to specifications~~ section 214A.1A relating
13 to standards and classifications for types of motor fuel,
14 including but not limited to gasoline and diesel fuel.
15 The rules shall provide standards and classifications for
16 renewable fuel such as ethanol blended gasoline, biobutanol
17 blended gasoline, biodiesel, biodiesel blended fuel, and
18 motor fuel components such as a biofuel or an oxygenate. In
19 the interest of uniformity, the department shall adopt by
20 reference other ~~specifications~~ standards relating to tests and
21 ~~standards~~ specifications for types of motor fuel, including
22 renewable fuel and motor fuel components, established by the
23 United States environmental protection agency and A.S.T.M.
24 international.

25 2. ~~Octane number~~ An octane rating assigned to gasoline
26 shall conform to the average of values obtained from the
27 A.S.T.M. international D2699 research method and the A.S.T.M.
28 international D2700 motor method.

29 ~~a. Octane number for~~ For regular grade unleaded gasoline
30 ~~shall follow the specifications of A.S.T.M. international but,~~
31 the octane rating shall be not be less than eighty-seven and
32 not more than ninety.

33 ~~b. Octane number for~~ For premium grade unleaded gasoline
34 ~~shall follow the specifications of A.S.T.M. international but,~~
35 the octane rating shall not be not less than ninety ninety-one.

1 Sec. 6. Section 214A.2, subsection 3, paragraph b, Code
2 2021, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 **b.** If the motor fuel is advertised for sale or sold as
5 ethanol or ethanol blended gasoline, the motor fuel must meet
6 departmental standards and classifications based on all of the
7 following requirements:

8 (1) (a) Ethanol must be a fuel grade agriculturally
9 derived ethyl alcohol and must meet the requirements of
10 27 C.F.R. pts. 19 through 21 and A.S.T.M. international
11 specification D4806 for blending with gasoline for use as
12 automotive spark-ignition engine fuel, or a successor A.S.T.M.
13 international specification, as established by rules adopted
14 by the department.

15 (b) Ethanol shall be classified as E-100.

16 (c) Gasoline containing no ethanol or trace amounts of
17 ethanol shall be classified as E-0.

18 (2) Gasoline blended with ethanol must meet requirements
19 based in part or in whole on A.S.T.M. international
20 specification D4814, or a successor A.S.T.M. international
21 specification, as established by rules adopted by the
22 department.

23 (3) For any classification of ethanol blended gasoline, at
24 least nine percent by volume must be ethanol.

25 (4) For ethanol blended gasoline classified as E-10 or
26 higher, the state grants a waiver of one pound per square inch
27 from the A.S.T.M. international specification D4814 Reid vapor
28 pressure requirement.

29 (5) Except as otherwise provided in this subparagraph,
30 ethanol blended gasoline shall be classified as E-xx where
31 "xx" is the volume percent of ethanol in the ethanol blended
32 gasoline. However, all of the following shall apply:

33 (a) Ethanol blended gasoline with a percentage of at least
34 nine but not more than ten percent by volume of ethanol shall
35 be classified as E-10.

1 (b) Ethanol blended gasoline with a percentage of fifteen
2 percent by volume of ethanol shall be classified as E-15.

3 (c) Ethanol blended gasoline with a percentage of at least
4 seventy but not more than eighty-five percent by volume of
5 ethanol shall be classified as E-85. E-85 gasoline must meet
6 A.S.T.M. international specification D5798, or a successor
7 A.S.T.M. international specification, as established by rules
8 adopted by the department.

9 (6) Ethanol blended gasoline classified as higher than
10 E-15, other than E-85, must conform to standards adopted by the
11 department.

12 (7) In ensuring that ethanol blended gasoline meets the
13 classification requirements of this section, the department
14 shall take into account up to a two percent variation in the
15 volume percent of ethanol in ethanol blended gasoline due to
16 testing and other limitations as determined by the department.

17 Sec. 7. Section 214A.2, subsection 3, paragraph c, Code
18 2021, is amended by adding the following new subparagraph:

19 NEW SUBPARAGRAPH. (3) (a) Biobutanol blended gasoline
20 shall be classified as Bu-xx where "xx" is the volume percent
21 of biobutanol in the biobutanol blended gasoline.

22 (b) In ensuring that biobutanol blended gasoline meets the
23 classification requirements of this section, the department
24 shall take into account up to a two percent variation in the
25 volume percent of biobutanol in biobutanol blended gasoline
26 due to testing and other limitations as determined by the
27 department.

28 Sec. 8. Section 214A.2, subsection 4, paragraph b,
29 subparagraph (1), Code 2021, is amended by adding the following
30 new subparagraph divisions:

31 NEW SUBPARAGRAPH DIVISION. (a) Biodiesel shall be
32 classified as B-100.

33 NEW SUBPARAGRAPH DIVISION. (b) Diesel fuel containing no
34 biodiesel or trace amounts of biodiesel shall be classified as
35 B-0.

1 Sec. 9. Section 214A.2, subsection 4, paragraph b, Code
2 2021, is amended by adding the following new subparagraph:
3 NEW SUBPARAGRAPH. (04) (a) Biodiesel blended fuel shall be
4 classified B-xx where "xx" is the volume percent of biodiesel
5 in the biodiesel blended fuel.
6 (b) In ensuring that biodiesel blended fuel meets the
7 classification requirements of this section, the department
8 shall take into account up to a two percent variation in the
9 volume percent of biodiesel in biodiesel blended fuel due to
10 testing and other limitations as determined by the department.
11 Sec. 10. Section 214A.2, subsection 4, paragraph b,
12 subparagraph (4), Code 2021, is amended to read as follows:
13 (4) Biodiesel blended fuel classified as B-6 or higher
14 ~~but not higher than~~ up to and including B-20 must conform to
15 A.S.T.M. international specification D7467, or a successor
16 A.S.T.M. international specification, as established by rules
17 adopted by the department.
18 Sec. 11. Section 214A.2, subsection 4, paragraph b, Code
19 2021, is amended by adding the following new subparagraph:
20 NEW SUBPARAGRAPH. (5) (a) Biodiesel blended fuel
21 classified as higher than B-20 must conform to standards
22 adopted by the department.
23 (b) The rules adopted by the department of agriculture and
24 land stewardship establishing standards for biodiesel blended
25 fuel classified as higher than B-20 shall take effect not
26 earlier than sixty days after the date for filing as provided
27 in section 17A.5, subsection 2, paragraph "b", subparagraph
28 (1), subparagraph division (a). The department of agriculture
29 and land stewardship shall notify the legislative services
30 agency and the department of revenue of the effective date of
31 rules at least thirty days prior to the effective date of the
32 rules.
33 Sec. 12. Section 214A.2, subsection 5, Code 2021, is amended
34 by striking the subsection.
35 Sec. 13. Section 214A.3, subsection 2, Code 2021, is amended

1 to read as follows:

2 2. For a renewable fuel, all of the following apply:

3 a. A person shall not knowingly falsely advertise that a
4 motor fuel for sale is a renewable fuel or is not a renewable
5 fuel.

6 b. (1) ~~Ethanol-blended~~ A person shall not knowingly falsely
7 advertise that gasoline sold by a dealer shall be designated
8 according to its classification as provided in section 214A.2
9 for sale is or is not standard use gasoline or special use
10 gasoline. However, a person advertising E-9 or E-10 gasoline
11 may only designate it as ethanol blended gasoline. A person
12 advertising ethanol blended gasoline formulated with a
13 percentage of between seventy and eighty-five percent by
14 volume of ethanol shall designate it as E-85. A person shall
15 not knowingly falsely advertise ethanol blended standard
16 use gasoline or special use gasoline for sale by using an
17 inaccurate designation in violation of this subparagraph
18 classification as provided in section 214A.2.

19 (2) A person shall not knowingly falsely advertise
20 biobutanol blended gasoline for sale by using an inaccurate
21 designation classification as provided in section 214A.2.

22 (3) A person shall not knowingly falsely advertise
23 ~~biodiesel~~ that diesel fuel for sale is or is not standard use
24 diesel fuel or special use diesel fuel. A person shall not
25 knowingly falsely advertise standard use diesel fuel or special
26 use diesel fuel for sale by using an inaccurate designation
27 classification as provided in section 214A.2.

28 Sec. 14. Section 214A.11, Code 2021, is amended by adding
29 the following new subsections:

30 NEW SUBSECTION. 3. The department may refuse to issue or
31 renew and may suspend or revoke a license issued to a retail
32 dealer pursuant to section 214.2 for any violation of this
33 chapter, including rules adopted by the department pursuant to
34 section 214A.2.

35 NEW SUBSECTION. 4. A retail dealer who advertises the sale

1 of motor fuel at a retail motor fuel site shall not be subject
2 to a criminal or civil penalty or an administrative action
3 suspending or revoking a license as provided in this section,
4 if a person fails to dispense the classification of ethanol
5 blended gasoline or biodiesel blended fuel otherwise required
6 in subchapter IV and the retail dealer complies with the other
7 applicable requirements of that subchapter.

8 Sec. 15. NEW SECTION. 214A.31 **Special use gasoline**
9 **classified as E-0 — restrictions.**

10 A retail dealer shall not knowingly advertise for sale or
11 knowingly sell special use gasoline classified as E-0 as
12 provided in section 214A.2, unless the gasoline is premium
13 grade unleaded gasoline as provided in that section.

14 Sec. 16. NEW SECTION. 214A.32 **Special use gasoline**
15 **classified as E-10 — restrictions — future implementation.**

16 1. A retail dealer shall not knowingly advertise for sale
17 special use gasoline classified as E-10 or higher up to but not
18 including E-15, as provided in section 214A.2.

19 2. Notwithstanding subsection 1, a retail dealer may
20 advertise for sale special use gasoline classified as E-10 or
21 higher to power an engine that operates any of the following:

- 22 a. A 2000 or older model year motor vehicle.
- 23 b. A motorcycle as defined in section 321.1.
- 24 c. An all-terrain vehicle as defined in section 321.1.
- 25 d. A snowmobile as defined in section 321G.1.
- 26 e. A vehicle serviced by a marina, dock, or airport.
- 27 f. A vehicle principally designed for use off a public
28 highway.
- 29 g. Machinery or equipment not primarily designed to
30 transport a person or property.

31 3. a. This section shall be implemented on January 1, 2028.

32 b. This subsection is repealed January 2, 2028.

33 Sec. 17. NEW SECTION. 214A.33 **Standard use gasoline**
34 **classified as E-15 or higher — future implementation.**

35 1. A retail dealer shall not knowingly advertise for sale

1 or knowingly sell gasoline from more than two dispensing units
2 located at a retail motor fuel site, unless the retail dealer
3 advertises for sale standard use gasoline classified as E-15
4 or higher from at least one of the dispensing units located at
5 that retail motor fuel site.

6 2. a. This section shall be implemented on January 1, 2028.

7 b. This subsection is repealed January 2, 2028.

8 Sec. 18. NEW SECTION. 214A.34 Standard use diesel fuel —
9 restrictions.

10 1. For the period of each year beginning April 1 and ending
11 October 31, a retail dealer shall not knowingly advertise for
12 sale clear diesel fuel other than standard use diesel fuel
13 classified as B-11 or higher as provided in section 214A.2.

14 2. Notwithstanding subsection 1, a retail dealer may
15 advertise for sale special use diesel fuel classified as B-0 or
16 higher to power an engine that operates any of the following:

17 a. A vehicle serviced by a marina, dock, or airport.

18 b. A vehicle principally designed for use off a public
19 highway.

20 c. Machinery or equipment not primarily designed to
21 transport a person or property.

22 3. This section does not apply to diesel fuel used to power
23 aircraft, railroad locomotives, vessels of the United States
24 coast guard, or vessels subject to inspection under 46 U.S.C.
25 §3301.

26 Sec. 19. NEW SECTION. 214A.35 Labeling of dispensing units
27 — federal law.

28 A retail dealer advertising the sale of motor fuel shall
29 affix a label to each dispensing unit used to discharge a motor
30 fuel as required by federal law, including by the United States
31 federal trade commission as provided in 16 C.F.R. §306.12, and
32 the United States environmental protection agency as provided
33 in 40 C.F.R. pt. 80, including §80.570 and 80.1501.

34 Sec. 20. NEW SECTION. 214A.36 Labeling of dispensing units
35 — state law — future implementation.

1 1. A retail dealer restricted from advertising the sale of
2 special use gasoline as provided in section 214A.31 shall affix
3 a clearly visible decal to each dispensing unit discharging
4 such gasoline. The decal shall identify the gasoline as
5 special use gasoline.

6 2. *a.* A retail dealer restricted from advertising the
7 sale of special use gasoline as provided in section 214A.32
8 shall affix a clearly visible decal to each dispensing unit
9 discharging such gasoline. The decal shall identify the
10 gasoline as special use gasoline and list the types of engines
11 that may be powered by using that gasoline as provided in
12 section 214A.32, subsection 2.

13 *b.* (1) This subsection shall be implemented on January 1,
14 2028.

15 (2) This paragraph "b" is repealed January 2, 2028.

16 3. A retail dealer advertising the sale of biobutanol
17 blended gasoline from a dispensing unit shall affix to the
18 dispensing unit a decal identifying the gasoline as biobutanol
19 blended gasoline.

20 4. A retail dealer restricted from advertising the sale
21 of special use diesel fuel as provided in section 214A.34
22 shall affix a clearly visible decal to each dispensing unit
23 discharging such diesel fuel. The decal shall identify the
24 diesel fuel as special use diesel fuel and list the types
25 of engines that may be powered by using that diesel fuel as
26 provided in section 214A.34, subsection 2.

27 5. The design and location of a decal required in this
28 section shall be prescribed by rules adopted by the department.
29 A decal identifying a renewable fuel shall be consistent with
30 standards adopted pursuant to section 159A.6. The department
31 may approve an application to place a decal in a special
32 location on a dispensing unit or use a decal with special
33 lettering or colors, if the decal appears clear and conspicuous
34 to the consumer. The application shall be submitted in writing
35 pursuant to procedures adopted by the department.

1 Sec. 21. NEW SECTION. 214A.41 Waiver of renewable fuel
2 requirements.

3 1. The governor may issue or renew an executive order or the
4 secretary of agriculture may issue or renew an administrative
5 order temporarily waiving a requirement that a retail dealer
6 comply with a provision in part 1 of this subchapter.

7 2. The order may allow the retail dealer to advertise
8 for sale special use gasoline classified as E-0 as regular
9 grade unleaded gasoline as provided in section 214A.2,
10 notwithstanding section 214A.31.

11 3. a. The order may allow the retail dealer to advertise
12 for sale special use gasoline classified as E-10 or higher
13 from any number of dispensing units at the retail dealer's
14 retail motor fuel site without any restriction, notwithstanding
15 section 214A.32 or 214A.33.

16 b. (1) This subsection shall be implemented on January 1,
17 2028.

18 (2) This paragraph "b" is repealed January 2, 2028.

19 4. The order may allow the retail dealer to advertise
20 for sale special use diesel fuel classified as B-0 or higher
21 without any restriction otherwise provided in section 214A.34.

22 5. The order must be supported by credible evidence that
23 the retail dealer has not been able to reasonably obtain the
24 required grade or classification of standard use gasoline or
25 standard use diesel fuel at the retail dealer's retail motor
26 fuel site.

27 6. An order may apply to more than one retail motor fuel
28 site, if each such retail motor fuel site is listed in the
29 order.

30 7. The department shall publish a copy of the order on the
31 department's internet site within ten days after its issuance.

32 8. The order shall expire six months from the date of its
33 issuance, unless a shorter period is stated in the order.
34 The early expiration of the order may also occur based on
35 circumstances described in the order.

1 Sec. 22. NEW SECTION. 214A.42 Suspension of renewable fuel
2 requirements.

3 1. The governor may issue or renew an executive order that
4 temporarily suspends a requirement that retail dealers comply
5 with a provision in part 1 of this subchapter on either a
6 statewide basis or in a geographic region of the state.

7 2. The order may allow retail dealers to advertise for
8 sale special use gasoline classified as E-0 as regular
9 grade unleaded gasoline as provided in section 214A.2,
10 notwithstanding section 214A.31.

11 3. a. The order may allow retail dealers to advertise
12 for sale special use gasoline classified as E-10 or higher to
13 customers from any number of dispensing units at retail motor
14 fuel sites without restriction, notwithstanding section 214A.32
15 or 214A.33.

16 b. (1) This subsection shall be implemented on January 1,
17 2028.

18 (2) This paragraph "b" is repealed January 2, 2028.

19 4. The order may allow retail dealers to advertise for sale
20 special use diesel fuel classified as B-0 or higher without the
21 restrictions otherwise provided in section 214A.34, subsection
22 2.

23 5. The order must be based on the governor's determination
24 that any of the following apply:

25 a. There is not adequate infrastructure to store and
26 dispense the required standard use gasoline or standard use
27 diesel fuel at retail motor fuel sites in this state or the
28 region of this state described in the order.

29 b. It is not commercially feasible to obtain the standard
30 use gasoline or standard use diesel fuel to be advertised for
31 sale or sold at retail motor fuel sites in this state or the
32 region of this state described in the order.

33 6. The order shall take effect on its date of publication in
34 the Iowa administrative bulletin, unless the order specifies
35 a later date. The order shall expire one year from the date

1 of its publication unless a shorter period is stated in the
2 order. The early expiration of the order may also occur based
3 on circumstances described in the order.

4 Sec. 23. NEW SECTION. 214A.43 **Extension of special use**
5 **gasoline requirements — future implementation.**

6 1. As used in this section, "*department*" means the
7 department of natural resources.

8 2. The director of the department may issue an
9 administrative order granting a small retail dealer an extended
10 period of compliance to meet the requirements of section
11 214A.32 or 214A.33.

12 3. A small retail dealer must apply for an extended period
13 of compliance by submitting a form to the department in a
14 manner and according to procedures required by the department.

15 4. The department may grant an extended period of compliance
16 to a small retail dealer for each retail motor fuel site
17 identified in the application, if the department determines all
18 of the following:

19 a. The small retail dealer cannot comply with section
20 214A.32 or 214A.33 because the retail motor fuel site's
21 existing underground motor fuel storage and dispensing
22 infrastructure is incompatible with standard use gasoline
23 classified as E-15 or higher.

24 b. The small retail dealer would suffer significant
25 financial hardship, measured on the basis of income to expense
26 ratio, if the small retail dealer improved a retail motor fuel
27 site to store and dispense standard use gasoline classified
28 as E-15 or higher by installing, replacing, or converting
29 infrastructure.

30 c. The department of agriculture and land stewardship
31 submits a statement to the department of natural resources
32 certifying the small retail dealer's proposed financing of
33 ethanol infrastructure at the retail motor fuel site. The
34 statement shall at least include all of the following:

35 (1) The small retail dealer has applied to participate in

1 the renewable fuel infrastructure program for retail motor
2 fuel sites as provided in section 159A.14 to improve the
3 retail motor fuel site by installing, replacing, or converting
4 infrastructure to be used to store, dispense, or blend and
5 dispense ethanol blended gasoline.

6 (2) The small retail dealer is eligible to participate in
7 the program as described in subparagraph (1), regardless of
8 whether the small retail dealer's application is approved.

9 (3) If the small retail dealer's application is approved,
10 the retail motor fuel site has not yet been improved as
11 provided in subparagraph (1), using moneys awarded to the
12 participating person according to the terms of a cost-share
13 agreement as provided in section 159A.14.

14 5. The order shall take effect on its date of publication in
15 the Iowa administrative bulletin, unless the order specifies
16 a later date. The order shall expire five years from the date
17 of its publication unless a shorter period is stated in the
18 order. The early expiration of the order may also occur based
19 on circumstances described in the order.

20 6. The director of the department may issue an order
21 granting a retail dealer any number of subsequent extended
22 periods of compliance, if all of the following apply:

23 a. The prior order granting the retail dealer an extended
24 period of compliance is expiring or has expired.

25 b. The department grants the extended period of compliance
26 in the same manner as it would approve a new application.

27 7. a. This section shall be implemented on January 1, 2028.

28 b. This subsection is repealed January 2, 2028.

29 Sec. 24. RULE-MAKING — EXTENSION OF SPECIAL USE GASOLINE
30 REQUIREMENTS. The department of natural resources shall adopt
31 rules pursuant to chapter 17A as necessary to allow retail
32 dealers to apply for an extended period of compliance and for
33 the department to receive and consider such applications as
34 provided in section 214A.43, prior to January 1, 2028.

35 Sec. 25. REPEAL. Section 214A.16, Code 2021, is repealed.

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PART B

MISCELLANEOUS CHANGES

Sec. 26. Section 159A.6, subsection 1, paragraph c, Code 2021, is amended to read as follows:

c. Develop standards for decals required pursuant to section ~~214A.16~~ 214A.36, which shall be designed to promote the advantages of using renewable fuels. The standards may be incorporated within a model decal adopted by the office.

Sec. 27. NEW SECTION. 214.2A **Disciplinary action.**

The department may refuse to issue or renew and may suspend or revoke a license issued to a retail dealer pursuant to section 214.2 for a violation of this chapter, or chapter 214A, including rules adopted by the department pursuant to section 214A.1A.

PART C

CODE ORGANIZATION

Sec. 28. CODE EDITOR DIRECTIVE.

1. The Code editor is directed to make the following transfers:

- a. Section 214A.7 to section 214A.2D.
- b. Section 214A.8 to section 214A.2E.
- c. Section 214A.13 to section 214A.2F.

2. The Code editor shall correct internal references in the Code and in any enacted legislation as necessary due to the enactment of this section.

Sec. 29. DIRECTIONS TO THE CODE EDITOR. The Code editor is directed to divide Code chapter 214A as amended by this division of this Act into subchapters and subchapter parts as follows:

- 1. Subchapter I, including sections 214A.1 and 214A.1A.
- 2. Subchapter II, including sections 214A.2 through 214A.2F.
- 3. Subchapter III, including sections 214A.3 through 214A.30.
- 4. Subchapter IV, subdivided into part 1, including

1 sections 214A.31 through 214A.40; and part 2, including
2 sections 214A.41 through 214A.43.

3 PART D

4 EFFECTIVE DATES

5 Sec. 30. EFFECTIVE DATE.

6 1. Except as provided in subsection 2, this division of this
7 Act takes effect October 1, 2021.

8 2. The section of this division of this Act enacting section
9 214A.1A takes effect upon enactment. However, rules adopted by
10 the department of agriculture and land stewardship pursuant to
11 that section shall not take effect prior to October 1, 2021.

12 3. The section of this division of this Act requiring the
13 department of natural resources to adopt rules as necessary
14 to allow retail dealers to apply for an extended period of
15 compliance pursuant to section 214A.43 and for the department
16 to consider those applications takes effect upon enactment.
17 However, the department is not required to adopt such rules
18 until January 1, 2027.

19 DIVISION II

20 RENEWABLE FUEL INFRASTRUCTURE

21 PART A

22 FINANCIAL INCENTIVES FOR RETAIL MOTOR FUEL SITES

23 Sec. 31. Section 159A.11, subsection 1, Code 2021, is
24 amended to read as follows:

25 1. *"Biodiesel", "biodiesel blended fuel", "biodiesel*
26 *fuel", "E-85 gasoline", "ethanol", "ethanol blended gasoline",*
27 *"gasoline", "motor fuel", "retail dealer", and "retail motor fuel*
28 *site", and "small retail dealer"* mean the same as defined in
29 section 214A.1.

30 Sec. 32. Section 159A.12, Code 2021, is amended to read as
31 follows:

32 159A.12 Classification Classifications of renewable types of
33 motor fuel — gasoline and diesel fuel.

34 For purposes of this subchapter, all of the following apply
35 to types of motor fuel:

1 1. Gasoline, ethanol, and ethanol blended fuel ~~and~~
2 ~~biodiesel fuel gasoline~~ shall be classified in the same manner
3 as provided in section 214A.2.

4 2. Diesel fuel, biodiesel fuel, and biodiesel blended fuel
5 shall be classified in the same manner as provided in section
6 214A.2.

7 Sec. 33. Section 159A.13, subsection 6, Code 2021, is
8 amended by striking the subsection.

9 Sec. 34. Section 159A.14, subsections 1 and 2, Code 2021,
10 are amended to read as follows:

11 1. The purpose of the program is to improve retail
12 motor fuel sites by installing, replacing, or converting
13 infrastructure to be used to store, blend, or and dispense, or
14 store, blend, and dispense, renewable fuel. ~~The infrastructure~~
15 ~~shall be ethanol infrastructure or biodiesel infrastructure.~~

16 a. ~~(1)~~ Ethanol infrastructure shall be ~~designed and used~~
17 exclusively have the capacity to do any of the following:

18 ~~(a)~~ (1) Store and dispense E-15 gasoline ethanol classified
19 as E-100 or store ethanol blended gasoline classified as E-85
20 or higher. ~~At least for the period beginning on September 16~~
21 ~~and ending on May 31 of each year, the ethanol infrastructure~~
22 ~~must be used to store and dispense E-15 gasoline as a~~
23 ~~registered fuel recognized by the United States environmental~~
24 ~~protection agency.~~

25 ~~(b)~~ (2) Store and dispense Dispense ethanol blended
26 gasoline classified as E-85 gasoline or higher.

27 ~~(c)~~ (3) Store, ethanol classified as E-100 or store
28 ethanol blended gasoline classified as E-85 or higher to blend,
29 and dispense motor fuel ethanol or ethanol blended gasoline
30 classified as E-85 or higher from a motor fuel blender pump.
31 ~~The ethanol infrastructure must be used for the storage of~~
32 ~~ethanol or ethanol blended gasoline, or for blending ethanol~~
33 ~~with gasoline.~~ The ethanol infrastructure must at least
34 include a motor fuel blender pump which dispenses different
35 classifications of ethanol blended gasoline and allows E-85

1 gasoline to be dispensed at all times that the blender pump is
2 operating.

3 ~~(2)~~ b. (1) Biodiesel infrastructure shall ~~be designed and~~
4 ~~used exclusively~~ have the capacity to do any of the following:

5 (a) Store and dispense ~~biodiesel or~~ biodiesel blended fuel
6 classified as B-20 or higher.

7 (b) ~~Blend or~~ Store biodiesel classified as B-100 or
8 store biodiesel blended fuel classified as B-20 or higher,
9 to blend and dispense biodiesel blended fuel classified as
10 B-20 or higher from a motor fuel blender pump. The biodiesel
11 infrastructure must at least include a motor fuel blender pump
12 which dispenses different classifications of biodiesel blended
13 fuel and allows B-20 to be dispensed at all times that the
14 blender pump is operating.

15 (2) This paragraph "b" is repealed July 1, 2024.

16 ~~b.~~ c. The infrastructure must be part of the premises of
17 a retail motor fuel site operated by a retail dealer. The
18 infrastructure shall not include a tank vehicle.

19 2. A person may apply to the department to participate in
20 the program to receive financial incentives on a cost-share
21 basis as provided in this section. The department shall
22 forward the applications ~~to the underground storage tank~~
23 ~~fund board as required by that board for evaluation and~~
24 ~~recommendation. The underground storage tank fund board may~~
25 ~~rank the applications with comments and shall forward them~~
26 to the infrastructure board for approval or disapproval.
27 The department shall establish a deadline for submitting
28 applications by persons seeking to participate in the program.
29 The infrastructure board shall approve all applications to
30 improve existing retail motor fuel sites before approving
31 applications to improve any retail motor fuel site planned to
32 be constructed or expanded or in any stage of construction
33 or expansion. The infrastructure board shall then provide
34 a priority in approving applications submitted by eligible
35 persons who are small retail dealers. Upon request of the

1 department of natural resources, the department of agriculture
2 and land stewardship shall submit a statement to the department
3 of natural resources certifying a small retail dealer's
4 proposed financing of ethanol infrastructure as provided
5 in section 214A.43. The department shall award financial
6 incentives ~~on a cost-share basis~~ to an eligible person whose
7 application was approved by the infrastructure board.

8 Sec. 35. Section 159A.14, subsection 5, Code 2021, is
9 amended to read as follows:

10 5. An award of financial incentives to a participating
11 person shall be on a cost-share basis in the form of a grant.
12 To participate in the program, an eligible person must execute
13 a cost-share agreement with the department as approved by
14 the infrastructure board in which the person contributes
15 a percentage of the total costs related to improving the
16 retail motor fuel site. ~~A cost-share agreement shall be for~~
17 ~~a three-year period or a five-year period.~~ A cost-share
18 agreement shall include provisions for standard financial
19 incentives or standard financial incentives and supplemental
20 financial incentives as provided in this subsection. The
21 ~~infrastructure board may approve multiple improvements to the~~
22 ~~same retail motor fuel site for the full amount available for~~
23 ~~both ethanol infrastructure and biodiesel infrastructure so~~
24 ~~long as the improvements for ethanol infrastructure and for~~
25 ~~biodiesel infrastructure are made under separate cost-share~~
26 ~~agreements.~~

27 a. ~~(1) Except as provided in paragraph "b", a~~ A
28 participating person may be awarded standard financial
29 incentives to make improvements to a retail motor fuel site by
30 installing, replacing, or converting ethanol infrastructure as
31 provided in this section.

32 (1) The standard financial incentives awarded to a
33 participating person shall ~~not exceed the following:~~

34 ~~{a} For a three-year cost-share agreement, fifty percent of~~
35 ~~the actual cost of making the improvement or thirty thousand~~

1 ~~dollars, whichever is less.~~

2 ~~(b) For~~ be awarded to a participating person pursuant to a
3 five-year cost-share agreement, not to exceed seventy percent
4 of the actual cost of making the improvement or fifty thousand
5 dollars, whichever is less.

6 (2) As part of the cost-share agreement, the participating
7 person must agree that for the period of the agreement the
8 ethanol infrastructure shall be used to store and dispense
9 ethanol or ethanol blended gasoline classified as E-15 or
10 higher or store, blend, and dispense ethanol or ethanol blended
11 gasoline classified as E-15 or higher.

12 ~~(2)~~ (3) The infrastructure board may approve multiple
13 awards of standard financial incentives to make improvements
14 to a retail motor fuel site so long as the total amount of the
15 awards for ethanol infrastructure ~~or biodiesel infrastructure~~
16 does not exceed the limitations provided in subparagraph (1).

17 b. A participating person may be awarded standard financial
18 incentives to improve a retail motor fuel site by installing,
19 replacing, or converting biodiesel infrastructure as provided
20 in this section.

21 (1) The standard financial incentives shall be awarded to
22 a participating person pursuant to a three-year cost-share
23 agreement not to exceed fifty percent of the actual cost of
24 making the improvement or thirty thousand dollars, whichever
25 is less.

26 (2) As part of the cost-share agreement, the participating
27 person must agree that for the period of the agreement the
28 biodiesel infrastructure shall be used to store and dispense
29 biodiesel or biodiesel blended fuel classified as B-20 or
30 higher, or store, blend, and dispense biodiesel or biodiesel
31 blended fuel classified as B-20 or higher, from April 1 to
32 October 31 and biodiesel blended fuel classified as B-5 or
33 higher from November 1 to March 31.

34 (3) This paragraph "b" is repealed July 1, 2024.

35 c. (1) The infrastructure board may approve multiple

1 improvements to the same retail motor fuel site for the full
2 amount available for both ethanol infrastructure and biodiesel
3 infrastructure so long as the improvements for ethanol
4 infrastructure and for biodiesel infrastructure are made under
5 separate cost-share agreements.

6 (2) This paragraph "c" is repealed July 1, 2024.

7 d. In addition to any standard financial incentives awarded
8 to a participating person under ~~paragraph "a"~~ this subsection,
9 the participating person may be awarded supplemental financial
10 incentives to make improvements to a retail motor fuel site to
11 ~~do any of the following:~~

12 ~~(1) Upgrade or replace a dispenser which is part of~~
13 ~~gasoline storage and dispensing infrastructure used to store~~
14 ~~and dispense E-85 gasoline as provided in section 455G.31.~~
15 ~~The participating person is only eligible to be awarded the~~
16 ~~supplemental financial incentives if the person installed the~~
17 ~~dispenser not later than sixty days after July 27, 2011. The~~
18 ~~supplemental financial incentives awarded to the participating~~
19 ~~person shall not exceed seventy-five percent of the actual cost~~
20 ~~of making the improvement or thirty thousand dollars, whichever~~
21 ~~is less.~~

22 ~~(2) To improve additional retail motor fuel sites owned or~~
23 ~~operated by a participating person within a twelve-month period~~
24 ~~as provided in the cost-share agreement. The supplemental~~
25 ~~financial incentives shall be used for the installation of an~~
26 ~~additional tank and associated infrastructure at each such~~
27 ~~retail motor fuel site. A participating person may be awarded~~
28 ~~supplemental financial incentives under this subparagraph~~
29 ~~paragraph and standard financial incentives under paragraph~~
30 ~~"a" this subsection~~ to improve the same motor fuel site. The
31 supplemental financial incentives awarded to the participating
32 person shall not exceed twenty-four thousand dollars. The
33 participating person shall be awarded the supplemental
34 financial incentives on a cumulative basis according to the
35 schedule provided in this ~~subparagraph~~ paragraph, which shall

1 not exceed the following:

2 ~~(a)~~ (1) For the second retail motor fuel site, six thousand
3 dollars.

4 ~~(b)~~ (2) For the third retail motor fuel site, six thousand
5 dollars.

6 ~~(c)~~ (3) For the fourth retail motor fuel site, six thousand
7 dollars.

8 ~~(d)~~ (4) For the fifth retail motor fuel site, six thousand
9 dollars.

10 Sec. 36. Section 159A.16, subsection 3, Code 2021, is
11 amended to read as follows:

12 3. Moneys in the renewable fuel infrastructure fund are
13 appropriated to the department exclusively to support and
14 market the renewable fuel infrastructure programs as provided
15 in sections 159A.14 and 159A.15, and as allocated in financial
16 incentives by the renewable fuel infrastructure board created
17 in section 159A.13.

18 a. (1) For each fiscal year of the period beginning July 1,
19 2021, and ending June 30, 2024, not more than one million two
20 hundred fifty thousand dollars shall be allocated to support
21 all of the following:

22 (a) The renewable fuel infrastructure program for retail
23 motor fuel sites as provided in section 159A.14 to finance
24 the installation, replacement, or conversion of biodiesel
25 infrastructure as provided in that section.

26 (b) The renewable fuel infrastructure program for biodiesel
27 terminal facilities as provided in section 159A.15.

28 (2) This paragraph "a" is repealed July 1, 2024.

29 b. Up to fifty ~~For the fiscal year beginning July 1, 2021,~~
30 and for each fiscal year thereafter, not more than one hundred
31 thousand dollars shall be allocated each fiscal year to the
32 department to support the administration of the programs.

33 c. The ~~For the fiscal year beginning July 1, 2021, and~~
34 for each fiscal year thereafter, the department may use up to
35 one and one-half percent of the program funds to market the

1 programs. Otherwise the moneys shall not be transferred, used,
2 obligated, appropriated, or otherwise encumbered except to
3 allocate as financial incentives under the programs.

4 Sec. 37. RENEWABLE FUEL INFRASTRUCTURE AGREEMENTS. The
5 department of agriculture and land stewardship shall continue
6 to administer any outstanding cost-share agreement executed
7 prior to July 1, 2024, in which a participating person
8 was awarded a grant to improve a retail motor fuel site by
9 installing, replacing, or converting infrastructure to be used
10 to store and dispense biodiesel blended fuel or blend and
11 dispense biodiesel blended fuel as provided in section 159A.14,
12 as amended by this Act.

13 PART B

14 REQUIREMENTS FOR STORAGE AND DISPENSING INFRASTRUCTURE

15 Sec. 38. Section 323.4A, subsection 2, paragraphs a and b,
16 Code 2021, are amended to read as follows:

17 a. Installing, converting, or operating a storage tank
18 or a dispenser located on the distributor's or dealer's
19 business premises for use in storing or dispensing renewable
20 fuel. ~~However, this paragraph does not apply to a dealer or~~
21 ~~distributor whose business premises are leased from the other~~
22 ~~party furnishing the renewable fuel.~~

23 b. Using a dispenser to dispense ethanol blended gasoline,
24 including gasoline with a specified blend or a range of blends
25 under chapter 214A, if the dispenser is approved as required by
26 the state fire marshal for dispensing the specified blend or
27 range of blends, ~~including as provided in section 455G.31.~~

28 Sec. 39. NEW SECTION. 455G.32 Definitions.

29 As used in this subchapter unless the context otherwise
30 requires:

31 1. "Department" means the department of natural resources.

32 2. "Ethanol blended gasoline" means the same as defined in
33 section 214A.1.

34 3. "Gasoline fuel storage and dispensing infrastructure" or
35 "infrastructure" means a motor fuel storage tank located above

1 ground or below ground, motor fuel pump, and a dispensing unit
2 necessary to store and dispense gasoline at a retail motor fuel
3 site as defined in section 214A.1, including but not limited to
4 all associated equipment, dispensing units, dispensers, pumps,
5 pipes, hoses, tubes, lines, fittings, valves, filters, seals,
6 and covers.

7 4. "Retail dealer" means the same as defined in section
8 214A.1.

9 Sec. 40. NEW SECTION. 455G.33 Restrictions.

10 1. A retail dealer shall not install, replace, or convert
11 gasoline fuel storage and dispensing infrastructure unless the
12 installed, replaced, or converted infrastructure is capable of
13 storing and dispensing ethanol blended gasoline classified as
14 E-85 or higher.

15 2. The infrastructure must be all of the following:

16 a. Listed as compatible for use with ethanol blended
17 gasoline classified as E-85 or higher by an independent testing
18 laboratory or as approved by the manufacturer.

19 b. Approved by the department or state fire marshal subject
20 to conditions determined necessary by the department or state
21 fire marshal. The department or state fire marshal may waive
22 the requirement in paragraph "a" upon satisfaction that a
23 substitute requirement serves the same purpose.

24 Sec. 41. REPEAL. Section 455G.31, Code 2021, is repealed.

25 Sec. 42. EFFECTIVE DATE. This part of this division of this
26 Act takes effect October 1, 2021.

27 DIVISION III

28 TAXATION

29 PART A

30 INCOME TAX

31 Sec. 43. Section 422.11O, subsection 8, Code 2021, is
32 amended to read as follows:

33 8. This section is repealed on January 1, ~~2025~~ 2028.

34 Sec. 44. Section 422.11P, subsection 4, Code 2021, is
35 amended to read as follows:

1 4. For a retail dealer whose tax year is on a calendar year
2 basis, the retail dealer shall calculate the amount of the tax
3 credit by multiplying a designated rate by the retail dealer's
4 total biodiesel blended fuel gallonage as provided in section
5 452A.31 which qualifies under this subsection.

6 a. In order to qualify for the tax credit, the biodiesel
7 blended fuel must be classified as ~~B-5~~ B-11 or higher as
8 provided in ~~paragraph "b"~~ this subsection.

9 b. Beginning January 1, ~~2018~~ 2022, the designated rate is
10 determined as follows:

11 ~~(1) For biodiesel blended fuel classified as B-5 or higher~~
12 ~~but not as high as B-11, the designated rate is three and~~
13 ~~one-half cents.~~

14 ~~(2) For biodiesel blended fuel classified as B-11 or higher,~~
15 ~~the designated rate is five and one-half cents.~~

16 (1) (a) During the period beginning January 1 and ending
17 March 31, and during the period beginning November 1 and ending
18 December 31, for biodiesel blended fuel classified as B-11 or
19 higher up to but not including B-20, the designated rate is
20 four cents.

21 (b) During the period beginning January 1 and ending
22 December 31, for biodiesel blended fuel classified as B-20 or
23 higher up to but not including B-30, the designated rate is six
24 cents.

25 (c) During the period beginning January 1 and ending
26 December 31, for biodiesel blended fuel classified as B-30 or
27 higher, the designated rate is ten cents.

28 (2) A retail dealer is eligible to claim a tax credit
29 for a biodiesel blended fuel classified as higher than B-20
30 under subparagraph (1), subparagraph subdivision (b) or (c),
31 for each tax year beginning January 1 immediately following
32 the effective date of rules adopted by the department of
33 agriculture and land stewardship establishing standards for
34 that classification as provided in sections 214A.2.

35 Sec. 45. Section 422.11P, subsection 8, Code 2021, is

1 amended to read as follows:

2 8. This section is repealed January 1, ~~2025~~ 2028.

3 Sec. 46. Section 422.11Y, subsection 4, paragraph b, Code
4 2021, is amended to read as follows:

5 b. ~~The Beginning January 1, 2022, the designated rate of the~~
6 ~~tax credit for the following three periods within each calendar~~
7 ~~year is as follows:~~

8 ~~(1) For the first period beginning January 1 and ending May~~
9 ~~31, three four cents.~~

10 ~~(2) For the second period beginning June 1 and ending~~
11 ~~September 15, ten cents.~~

12 ~~(3) For the third period beginning September 16 and ending~~
13 ~~December 31, three cents.~~

14 Sec. 47. Section 422.11Y, subsection 9, Code 2021, is
15 amended to read as follows:

16 9. This section is repealed on January 1, ~~2025~~ 2028.

17 Sec. 48. Section 422.33, subsection 11B, paragraph c, Code
18 2021, is amended to read as follows:

19 c. This subsection is repealed on January 1, ~~2025~~ 2028.

20 Sec. 49. Section 422.33, subsection 11C, paragraph c, Code
21 2021, is amended to read as follows:

22 c. This subsection is repealed on January 1, ~~2025~~ 2028.

23 Sec. 50. Section 422.33, subsection 11D, paragraph c, Code
24 2021, is amended to read as follows:

25 c. This subsection is repealed on January 1, ~~2025~~ 2028.

26 Sec. 51. 2006 Iowa Acts, chapter 1142, section 49,
27 subsection 3, as amended by 2011 Iowa Acts, chapter 113,
28 section 20, and 2016 Iowa Acts, chapter 1106, section 6, is
29 amended to read as follows:

30 3. For a retail dealer who may claim an E-85 gasoline
31 promotion tax credit under section 422.110 or 422.33,
32 subsection 11B, as enacted in this Act and amended in
33 subsequent Acts, in calendar year ~~2024~~ 2027 and whose tax
34 year ends prior to December 31, ~~2024~~ 2027, the retail dealer
35 may continue to claim the tax credit in the retail dealer's

1 following tax year. In that case, the tax credit shall be
2 calculated in the same manner as provided in section 422.11O
3 or 422.33, subsection 11B, as enacted in this Act and amended
4 in subsequent Acts, for the remaining period beginning on the
5 first day of the retail dealer's new tax year until December
6 31, ~~2024~~ 2027. For that remaining period, the tax credit shall
7 be calculated in the same manner as a retail dealer whose tax
8 year began on the previous January 1 and who is calculating the
9 tax credit on December 31, ~~2024~~ 2027.

10 Sec. 52. 2011 Iowa Acts, chapter 113, section 31, as amended
11 by 2016 Iowa Acts, chapter 1106, section 10, is amended to read
12 as follows:

13 SEC. 31. TAX CREDIT AVAILABILITY. For a retail dealer
14 who may claim a biodiesel blended fuel promotion tax credit
15 under section 422.11P or 422.33, subsection 11C, as amended
16 in this Act and amended in subsequent Acts, in calendar year
17 ~~2024~~ 2027, and whose tax year ends prior to December 31, ~~2024~~
18 2027, the retail dealer may continue to claim the tax credit in
19 the retail dealer's following tax year. In that case, the tax
20 credit shall be calculated in the same manner as provided in
21 section 422.11P or 422.33, subsection 11C, as amended in this
22 Act and amended in subsequent Acts, for the remaining period
23 beginning on the first day of the retail dealer's new tax year
24 until December 31, ~~2024~~ 2027. For that remaining period, the
25 tax credit shall be calculated in the same manner as a retail
26 dealer whose tax year began on the previous January 1 and who
27 is calculating the tax credit on December 31, ~~2024~~ 2027.

28 Sec. 53. 2011 Iowa Acts, chapter 113, section 37, as amended
29 by 2016 Iowa Acts, chapter 1106, section 3, is amended to read
30 as follows:

31 SEC. 37. TAX CREDIT AVAILABILITY. For a retail dealer who
32 may claim an E-15 plus gasoline promotion tax credit under
33 section 422.11Y or 422.33, subsection 11D, as enacted in this
34 Act and amended in subsequent Acts, in calendar year ~~2024~~
35 2027, and whose tax year ends prior to December 31, ~~2024~~ 2027,

1 the retail dealer may continue to claim the tax credit in the
2 retail dealer's following tax year. In that case, the tax
3 credit shall be calculated in the same manner as provided in
4 section 422.11Y or 422.33, subsection 11D, as enacted in this
5 Act and amended in subsequent Acts, for the remaining period
6 beginning on the first day of the retail dealer's new tax year
7 until December 31, ~~2024~~ 2027. For that remaining period, the
8 tax credit shall be calculated in the same manner as a retail
9 dealer whose tax year began on the previous January 1 and who
10 is calculating the tax credit on December 31, ~~2024~~ 2027.

11 PART B

12 MOTOR FUEL TAX

13 Sec. 54. NEW SECTION. **452A.2A Classification of types of**
14 **motor fuel — gasoline and diesel fuel.**

15 For purposes of this subchapter, all of the following apply
16 to types of motor fuel:

17 1. Gasoline, ethanol, and ethanol blended gasoline shall be
18 classified in the same manner as provided in section 214A.2.

19 2. Diesel fuel, biodiesel fuel, and biodiesel blended fuel
20 shall be classified in the same manner as provided in section
21 214A.2.

22 Sec. 55. Section 452A.8, subsection 2, paragraph a, Code
23 2021, is amended by adding the following new subparagraph:

24 NEW SUBPARAGRAPH. (3) The gallonage of gasoline or diesel
25 fuel withdrawn from a terminal by a licensee to be blended
26 with a biofuel after it is withdrawn from the terminal to the
27 extent the tax rate on the gasoline or diesel fuel exceeds the
28 tax rate which would be due on the ethanol blended gasoline or
29 biodiesel blended fuel.

30 Sec. 56. Section 452A.12, subsection 2, Code 2021, is
31 amended to read as follows:

32 2. A person while transporting motor fuel or undyed special
33 fuel from a refinery or marine or pipeline terminal in this
34 state or from a point outside this state over the highways
35 of this state in service other than that under subsection

1 1 shall carry in the vehicle a loading invoice showing the
2 name and address of the seller or consignor, the date and
3 place of loading, and the kind and quantity of motor fuel or
4 special fuel loaded, together with invoices showing the kind
5 and quantity of each delivery and the name and address of each
6 purchaser or consignee. An invoice carried pursuant to this
7 subsection for ethanol blended gasoline or biodiesel blended
8 fuel shall state its ~~designation~~ classification as provided in
9 section 214A.2.

10 Sec. 57. Section 452A.31, subsection 2, paragraph a,
11 subparagraph (1), unnumbered paragraph 1, Code 2021, is amended
12 to read as follows:

13 The total ethanol blended gasoline gallonage which is
14 the retail dealer's total number of gallons of ethanol
15 blended gasoline and which includes all of the following
16 ~~subclassifications~~ classifications:

17 Sec. 58. Section 452A.31, subsection 2, paragraph a,
18 subparagraph (1), subparagraph division (c), Code 2021, is
19 amended to read as follows:

20 (c) The total E-15 gasoline gallonage which is the total
21 number of gallons of ethanol blended gasoline classified as
22 E-15 or higher, up to but not including E-85 gasoline.

23 Sec. 59. Section 452A.31, subsection 2, paragraph a,
24 subparagraph (2), Code 2021, is amended to read as follows:

25 (2) The total nonblended gasoline gallonage which is
26 the total number of gallons of ~~nonblended ethanol~~ gasoline
27 classified as E-0.

28 Sec. 60. Section 452A.31, subsection 3, paragraph a,
29 subparagraphs (2) and (3), Code 2021, are amended to read as
30 follows:

31 (2) The total B-11 gallonage which is the total number of
32 gallons of biodiesel blended fuel classified as B-11 or higher
33 up to but not including B-20.

34 (3) The total nonblended diesel fuel gallonage which is the
35 total number of gallons of diesel fuel ~~which is not biodiesel~~

1 ~~or biodiesel blended fuel~~ classified as B-0.

2 Sec. 61. Section 452A.31, subsection 3, paragraph a, Code
3 2021, is amended by adding the following new subparagraphs:

4 NEW SUBPARAGRAPH. (03) The total B-20 gallonage which
5 is the total number of gallons of biodiesel blended fuel
6 classified as B-20 or higher up to but not including B-30.

7 NEW SUBPARAGRAPH. (003) The total B-30 gallonage which
8 is the total number of gallons of biodiesel blended fuel
9 classified as B-30 or higher.

10 Sec. 62. Section 452A.31, subsection 4, paragraph a,
11 subparagraph (1), unnumbered paragraph 1, Code 2021, is amended
12 to read as follows:

13 The aggregate ethanol blended gasoline gallonage
14 which is the aggregate total number of gallons of ethanol
15 blended gasoline and which includes all of the following
16 ~~subclassifications~~ classifications:

17 Sec. 63. Section 452A.31, subsection 4, paragraph a,
18 subparagraph (1), subparagraph division (c), Code 2021, is
19 amended to read as follows:

20 (c) The aggregate E-15 gasoline gallonage which is the
21 aggregate total number of gallons of ethanol blended gasoline
22 classified as E-15 or higher, up to but not including E-85
23 gasoline.

24 Sec. 64. Section 452A.31, subsection 4, paragraph a,
25 subparagraph (2), Code 2021, is amended to read as follows:

26 (2) The aggregate nonblended gasoline gallonage, which is
27 the aggregate number of gallons of ~~nonblended ethanol~~ gasoline
28 classified as E-0.

29 Sec. 65. Section 452A.31, subsection 5, paragraph a,
30 subparagraphs (2) and (3), Code 2021, are amended to read as
31 follows:

32 (2) The aggregate B-11 gallonage which is the aggregate
33 total number of gallons of biodiesel blended fuel classified as
34 B-11 or higher up to but not including B-20.

35 (3) The aggregate nonblended diesel fuel gallonage which

1 is the aggregate number of gallons of diesel fuel ~~which is not~~
2 ~~biodiesel or biodiesel blended fuel~~ classified as B-0.

3 Sec. 66. Section 452A.31, subsection 5, paragraph a, Code
4 2021, is amended by adding the following new subparagraphs:

5 NEW SUBPARAGRAPH. (03) The aggregate B-20 gallonage which
6 is the aggregate total number of gallons of biodiesel blended
7 fuel classified as B-20 or higher up to but not including B-30.

8 NEW SUBPARAGRAPH. (003) The aggregate B-30 gallonage which
9 is the aggregate total number of gallons of biodiesel blended
10 fuel classified as B-30 or higher.

11 Sec. 67. Section 452A.33, subsection 1, paragraph a, Code
12 2021, is amended to read as follows:

13 a. Each retail dealer shall file a report with the
14 department stating its total motor fuel gallonage for and its
15 total gallonage for each type of motor fuel, including gasoline
16 and diesel fuel, during a determination period as follows:

17 (1) Its total gasoline gallonage and its total
18 ethanol gallonage, including for each classification ~~and~~
19 ~~subclassification~~ as provided in section 452A.31.

20 (2) Its total diesel fuel gallonage and its total
21 biodiesel gallonage, including for each classification ~~and~~
22 ~~subclassification~~ as provided in section 452A.31.

23 Sec. 68. Section 452A.33, subsection 1, paragraph b,
24 subparagraphs (1) and (2), Code 2021, are amended to read as
25 follows:

26 (1) The information submitted on a company-wide basis shall
27 include the total motor fuel gallonage, including for each type
28 and classification ~~and subclassification~~, sold and dispensed
29 by the retail dealer as provided in paragraph "a" for all
30 retail motor fuel sites from which the retail dealer sells and
31 dispenses motor fuel.

32 (2) The information submitted on a site-by-site basis shall
33 include the total motor fuel gallonage, including for each type
34 and classification ~~and subclassification~~, sold and dispensed by
35 the retail dealer as provided in paragraph "a" separately for

1 each retail motor fuel site from which the retail dealer sells
2 and dispenses motor fuel.

3 Sec. 69. Section 452A.33, subsection 1, paragraph c, Code
4 2021, is amended to read as follows:

5 c. The retail dealer shall prepare and ~~submit~~ file the
6 report with the department in a manner and according to
7 procedures required by the department in compliance with
8 section 452A.61. However, the department may require that the
9 retail dealer file the report with the department by electronic
10 transmission. The department may require that a retail
11 ~~dealers report to~~ dealer file the report with the department
12 on an annual, quarterly, or monthly basis. The department,
13 upon application by a retail dealer, may grant a reasonable
14 extension of time to file the report. A retail dealer who
15 fails to file the report as required in this section or who
16 fails to maintain records required to file the report shall be
17 subject to a civil penalty of not more than one hundred dollars
18 per occurrence which shall be deposited in the general fund of
19 the state.

20 PART C

21 EFFECTIVE DATE

22 Sec. 70. EFFECTIVE DATE. This division of this Act takes
23 effect January 1, 2022.

24 DIVISION IV

25 RENEWABLE FUEL USE BY STATE MOTOR VEHICLES

26 Sec. 71. Section 8A.362, subsection 3, paragraph b, Code
27 2021, is amended by striking the paragraph and inserting in
28 lieu thereof the following:

29 b. The director shall provide for the purchase and operation
30 of motor vehicle fuel and motor vehicles in the manner provided
31 in section 8A.362A.

32 Sec. 72. NEW SECTION. **8A.362A Definitions and**
33 **classifications.**

34 1. As used in section 8A.362B and 8A.362C, unless the
35 context otherwise requires:

1 *a. "Biodiesel blended fuel"* means the same as defined in
2 section 214A.1.

3 *b. "Biofuel"* means the same as defined in section 214A.1.

4 *c. "Determination period"* means any twelve-month period
5 beginning January 1 and ending December 31.

6 *d. "Ethanol blended gasoline"* means the same as defined in
7 section 214A.1.

8 *e. "Renewable fuel"* means ethanol blended gasoline or
9 biodiesel blended fuel that meets the standards for that type
10 of motor fuel as provided in section 214A.2.

11 2. For purposes of sections 8A.362B and 8A.362C, a renewable
12 fuel shall be classified in the same manner as provided in
13 section 214A.2.

14 Sec. 73. NEW SECTION. **8A.362B Motor vehicle purchases —**
15 **renewable fuels.**

16 1. A gasoline-powered motor vehicle, or a diesel-powered
17 motor vehicle, operating under section 8A.362, shall be powered
18 using the highest possible classification of renewable fuel if
19 all of the following apply:

20 *a.* The manufacturer of the motor vehicle or the United
21 States environmental protection agency expressly states that
22 the classification of renewable fuel is compatible with the
23 motor vehicle's normal operation.

24 *b.* That classification of renewable fuel is commercially
25 available in the region where the motor vehicle is being
26 operated.

27 *c.* No emergency situation exists that requires the immediate
28 use of a motor fuel regardless of whether it has been blended
29 with a biofuel.

30 2. If the highest possible classification of renewable
31 fuel is able to be used to power a motor vehicle as provided
32 in subsection 1, a state-issued credit card shall not be
33 used to purchase motor fuel other than the highest possible
34 classification of motor fuel.

35 3. A motor vehicle subject to this section shall be

1 affixed with a brightly colored, highly visible sticker which
2 notifies the traveling public that the motor vehicle is powered
3 using the highest possible classification of renewable fuel.
4 However, the sticker is not required to be affixed to an
5 unmarked vehicle used for purposes of providing law enforcement
6 or security.

7 4. As part of the department's competitive bidding
8 procedure for the purchase of a diesel-powered motor vehicle,
9 the director shall require that a bidder certify that the
10 motor vehicle's manufacturer expressly states that the motor
11 vehicle is capable of being powered using biodiesel blended
12 fuel classified as B-20 or higher.

13 Sec. 74. NEW SECTION. 8A.362C Motor vehicle purchases —
14 renewable fuels — reports.

15 1. The department shall compile information regarding
16 the department's compliance with section 8A.362B during the
17 previous determination period. The information shall include
18 all of the following:

19 a. Of the motor vehicles used to routinely travel on the
20 state's highways that are powered using gasoline, all of the
21 following:

22 (1) The total number of such motor vehicles according to
23 model year.

24 (2) The total number of such motor vehicles according to
25 model year that are capable of being powered using ethanol
26 blended gasoline classified as E-15 and E-85 according to the
27 express warranty of the motor vehicle's manufacturer.

28 (3) The total number of gallons of ethanol blended gasoline
29 classified as E-15, and the total number of gallons of ethanol
30 blended gasoline classified as E-85, purchased during the
31 preceding determination period, to the extent such information
32 may be practically obtained.

33 b. Of the motor vehicles used to routinely travel on the
34 state's highways that are powered using diesel fuel, all of the
35 following:

1 (1) The total number of such motor vehicles according to
2 model year.

3 (2) The total number of such motor vehicles according to
4 model year that are capable of being powered using biodiesel
5 blended fuel classified as B-20 according to the express
6 warranty of the motor vehicle's manufacturer.

7 (3) The total number of gallons of biodiesel blended fuel
8 classified as B-20 purchased during the preceding determination
9 period, to the extent such information may be practically
10 obtained.

11 2. The department of administrative services shall
12 prepare a state fleet renewable fuels compliance report which
13 shall consolidate information compiled by the department
14 under subsection 1 together with information compiled by
15 the commission for the blind pursuant to section 216B.3,
16 institutions governed by the state board of regents pursuant to
17 section 262.25A, the department of transportation pursuant to
18 section 307.21, and the department of corrections pursuant to
19 section 904.312A. The department of administrative services
20 shall submit the state fleet renewable fuels compliance report
21 to the governor and general assembly not later than March 1 of
22 each year.

23 Sec. 75. Section 216B.3, subsection 16, paragraph a, Code
24 2021, is amended by striking the paragraph and inserting in
25 lieu thereof the following:

26 a. Provide for the purchase and operation of motor vehicles
27 powered by renewable fuel in the same manner required for the
28 director of the department of administrative services pursuant
29 to section 8A.362B. The commission shall compile information
30 regarding compliance with the provisions of this paragraph in
31 the same manner as the department of administrative services
32 pursuant to section 8A.362C. The commission shall cooperate
33 with the department of administrative services in preparing the
34 annual state fleet renewable fuels compliance report regarding
35 compliance with this paragraph as provided in section 8A.362C.

1 Sec. 76. Section 262.25A, subsection 2, Code 2021, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 2. An institution shall provide for the purchase and
5 operation of motor vehicles powered by renewable fuel in
6 the same manner required for the director of the department
7 of administrative services pursuant to section 8A.362B. An
8 institution shall compile information regarding compliance
9 with the provisions of this subsection in the same manner as
10 the department of administrative services pursuant to section
11 8A.362C. The state board of regents shall cooperate with
12 the department of administrative services in preparing the
13 annual state fleet renewable fuels compliance report regarding
14 compliance with this subsection as provided in section 8A.362C.

15 Sec. 77. Section 307.21, subsection 4, Code 2021, is amended
16 by striking the subsection and inserting in lieu thereof the
17 following:

18 4. The administrator shall provide for the purchase and
19 operation of motor vehicles powered by renewable fuel in
20 the same manner required for the director of the department
21 of administrative services pursuant to section 8A.362B.
22 The department of transportation shall compile information
23 regarding compliance with the provisions of this subsection in
24 the same manner as the department of administrative services
25 pursuant to section 8A.362C. The department of transportation
26 shall cooperate with the department of administrative services
27 in preparing the annual state fleet renewable fuels compliance
28 report regarding compliance with this subsection as provided
29 in section 8A.362C.

30 Sec. 78. Section 904.312A, subsection 1, Code 2021, is
31 amended by striking the subsection and inserting in lieu
32 thereof the following:

33 1. The department of corrections shall provide for the
34 purchase and operation of motor vehicles powered by renewable
35 fuel in the same manner required for the director of the

1 department of administrative services pursuant to section
2 8A.362B. The department of corrections shall compile
3 information regarding compliance with the provisions of
4 this subsection in the same manner as the department of
5 administrative services pursuant to section 8A.362C. The
6 department of corrections shall cooperate with the department
7 of administrative services in preparing the annual state fleet
8 renewable fuels compliance report regarding compliance with
9 this subsection as provided in section 8A.362C.>
10 2. Title page, line 5, by striking <making appropriations,>

PROPOSED COMMITTEE AMENDMENT