# ARIZONA HOUSE OF REPRESENTATIVES



Fifty-sixth Legislature Second Regular Session

Senate: NREW DPA 4-1-2-0 |  $3^{\rm rd}$  Read 17-11-2-0

House: NREW DPA/SE 6-4-0-0

# SB 1064: gasoline formulations; air quality. NOW: conditional enactment; fuel reformulations Sponsor: Senator Wadsack, LD 17 House Engrossed

## Overview

Conditions the enactment of laws relating to fuel reformulations on the U.S. Environmental Protection Agency (EPA) approving the proposed modifications as part of the State Implementation Plan (SIP) by July 1, 2026.

### **History**

The Weights and Services Division (Division) within the Arizona Department of Agriculture (ADA) is responsible for the inspecting, testing and licensing of commercial weighing, measuring and counting devices (A.R.S. § 3-102). Additionally, the Division's Associate Director, in consultation with the Arizona Department of Environmental Quality (ADEQ) Director, are required to adopt rules relating to fuel reformulations and standards in Arizona.

<u>Laws 2017, Chapter 296, Section 2</u> allowed a gasoline blend other than a gasoline-ethanol blend to be sold for motor vehicle use in a county with a population of 1.2 million or more and any portion of the county contained in Area A, between November 1 and March 31 of each year.

## **Provisions**

- 1. Allows any person to petition the Weights and Services Division (Division) Associate Director to request a waiver from the standards for motor fuel established by U.S. Environmental Protection Agency (EPA). (Sec. 4)
- 2. Outlines what must be included in the petition. (Sec. 4)
- 3. Requires the Division's Associate Director to issue a written decision determining the petition meets relevant criteria and transmit a copy of the decision to the petitioner, the Arizona Department of Environmental Quality (ADEQ) Director, the President of the Senate (President) and Speaker of the House of Representatives (Speaker). (Sec. 4)
- 4. Requires the ADEQ Director to, if the Division's Associate Director determines that the petition meets relevant criteria and transmits the determination to the ADEQ Director, to submit a motor fuel waiver request to the U.S. EPA. (Sec. 4)
- 5. Requires any decision issued by the EPA to waive motor fuel requirements to be applied equally to all regulated persons for which the standards apply. (Sec. 4)

$\square$ Prop 105 (45 votes) $\square$ Prop 108 (40 votes) $\square$ Emergency (40 votes) $\square$ Fiscal Note	
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- 6. Requires any decision issued by the EPA to be provided to the petitioner, the Division's Associate Director, the ADEQ Director, the President, the Speaker and all regulated persons for which the standards apply. (Sec. 4)
- 7. Allows the ADEQ Director and Division Associate Director to submit a request to the EPA to extend the motor fuel waiver for not more than 20 days. (Sec. 4)
- 8. Allows a petition to be submitted for motor fuel properties that are not regulated by the EPA and requires the Division's Associate Director to evaluate and issue a decision on the petition. (Sec. 4)
- 9. Requires the Division's Associate Director to transmit a copy of any written decision to the petitioner, the ADEQ Director, the President and the Speaker. (Sec. 4)
- 10. Requires the Division's Associate Director to provide written notice that the petition was submitted within two business days of receipt to the President and Speaker. (Sec. 4)
- 11. Exempts communication regarding a petition between the President or Speaker from public record. (Sec. 4)
- 12. Requires the Division's Associate Director, in consultation with the registered suppliers and oxygenate blenders, to conduct a study to evaluate the feasibility of authorizing or obtaining a new blend for sale or use in the stat, including the impact on the state' transportation fuel supply and the availability of transportation or supply capacity to provide the new blend. (Sec. 4)
- 13. Instructs the Division's Associate Director, within 120 days after completing the feasibility study, to submit to the Governor, President and Speaker a written report containing outlined information. (Sec. 4)
- 14. Instructs the Associate Director to post on the Arizona Department of Agriculture's website:
  - a) a list of all approved gasoline formulations by area in Arizona;
  - b) a map that includes all currently approved gasoline formulations by area in Arizona; and
  - c) a map of Area A, B, and C. (Sec. 4)
- 15. Requires, within 120 days of specified events, the ADEQ Director, in consultation with the Division's Associate Director, to evaluate all relevant gasoline blends that have not been evaluated by the ADEQ Director using the most recent air emissions model approved by the U.S. EPA. (Sec. 6)
- 16. Requires the ADEQ Director to notify the Associate Director if the ADEQ Director finds that any gasoline blend not available for sale or use in Area A or C may be eligible for approval by the U.S. EPA. (Sec. 6)
- 17. Requires the ADEQ Director to adopt rules prescribing the application form for a registered supplier or oxygenate blender to request the ADEQ Director to model a gasoline blend. (Sec. 6)
- 18. Requires the Associate Director, in consultation with the ADEQ Director, to establish a Capacity and Supply Force Task Force (Task Force). (Sec. 7)
- 19. Outlines Task Force membership, duties and reporting requirements. (Sec. 7)

- 20. Requires the Associate Director, in consultation with the ADEQ Director, to evaluate specified gasoline blends using the most recent air emissions model approved by the EPA. (Sec. 8)
- 21. Contains a conditional enactment clause. (Sec. 9)
- 22. Makes technical and conforming changes. (Sec. 1-3, 5)