

HOUSE BILL No. 5851

September 11, 2012, Introduced by Rep. Daley and referred to the Committee on Agriculture.

A bill to amend 1984 PA 44, entitled
"Motor fuels quality act,"
by amending sections 2, 3, and 4a (MCL 290.642, 290.643, and
290.644a), sections 2 and 4a as amended by 2006 PA 271 and section
3 as amended by 2008 PA 313.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Additive" means any substance in gasoline other than
3 gasoline but does not include approved blending components, other
4 than lead, sodium, and phosphate components, introduced at
5 refineries or terminals as octane or product quality enhancers in
6 quantities of less than 1% of volume.

7 ~~—— (b) "American society for testing and materials" means an~~
8 ~~international nonprofit scientific and educational society devoted~~

1 ~~to the promotion of knowledge of the materials of engineering and~~
2 ~~the standardization of specification and methods of testing.~~

3 (B) ~~(e)~~ "Antiknock index" or "AKI" means an index number
4 arrived at by adding the motor octane number and the research
5 octane number, then dividing by 2.

6 (C) "ASTM" MEANS THE AMERICAN SOCIETY FOR TESTING AND
7 MATERIALS INTERNATIONAL, AN INTERNATIONAL NONPROFIT SCIENTIFIC AND
8 EDUCATIONAL SOCIETY DEVOTED TO THE PROMOTION OF KNOWLEDGE OF THE
9 MATERIALS OF ENGINEERING AND THE STANDARDIZATION OF SPECIFICATION
10 AND METHODS OF TESTING.

11 (d) "Biodiesel" means a fuel composed of mono-alkyl esters of
12 long chain fatty acids derived from vegetable oils or animal fats,
13 and, in accordance with standards specified by ~~the American society~~
14 ~~for testing and materials, ASTM~~, designated B100, and meeting the
15 requirements of **ASTM** D-6751, as approved by the department.

16 (e) "Biodiesel blend" means a fuel comprised of a blend of
17 biodiesel fuel with petroleum-based diesel fuel, suitable for use
18 as a fuel in a compression-ignition internal combustion diesel
19 engine.

20 (f) "Blender" means a person who as an individual or through
21 his or her agent adds an oxygenate to a gasoline.

22 (g) "Bulk purchaser-end user" means a person who is an
23 ultimate consumer of gasoline and receives delivery of gasoline
24 into a storage tank of at least 550-gallon capacity substantially
25 under his or her control.

26 ~~—(h) "CARB" means the California air resources board.~~

27 (H) ~~(i)~~ "Delivery vessel" means a tank truck, tank equipped

1 trailer, or a similar vessel used for the delivery of gasoline to a
2 dispensing facility.

3 (I) ~~(j)~~—"Department" means the department of agriculture **AND**
4 **RURAL DEVELOPMENT.**

5 (J) ~~(k)~~—"Diesel fuel" means any liquid other than gasoline
6 that is suitable for use as a fuel or a component of a fuel in a
7 compression-ignition internal combustion diesel engine.

8 (K) ~~(l)~~—"Director" means the director of the department ~~of~~
9 ~~agriculture~~ or his or her authorized representative.

10 (L) ~~(m)~~—"Dispensing facility" means a site used for gasoline
11 refueling.

12 (M) ~~(n)~~—"Dispensing unit" means a device designed for the
13 delivery of gasoline in which 1 nozzle equates to 1 dispensing
14 unit.

15 (N) ~~(o)~~—"Distributor" means a person who purchases,
16 transports, or stores or causes the transportation or storage of
17 gasoline at any point between a gasoline refinery and a retail
18 outlet or bulk purchaser-end user facility.

19 ~~—(p) "E.P.A." means the United States environmental protection~~
20 ~~agency.~~

21 (O) ~~(q)~~—"Gasoline" means a volatile mixture of liquid
22 hydrocarbons generally containing small amounts of additives
23 suitable for use in spark-ignition internal combustion engines, and
24 commonly or commercially known or sold as gasoline.

25 (P) ~~(r)~~—"Hydrogen fuel" means a substance containing the
26 chemical formula H^2 that exists as a colorless, odorless, and highly
27 flammable gas except at low cryogenic temperatures or when highly

1 compressed, that is gaseous or liquefied, and **THAT IS** suitable for
2 use in a fuel cell or hydrogen fuel vehicle.

3 (Q) ~~(s)~~—"Leak" means liquid or vapor loss from the gasoline
4 dispensing system or stage I vapor-recovery system as determined by
5 visual inspection or functional testing.

6 (R) ~~(t)~~—"Modification" means any change, removal, or addition,
7 other than an identical replacement, of any component contained
8 within a stage I vapor-recovery system. The resultant modification
9 must constitute an approved vapor-recovery system.

10 (S) ~~(u)~~—"Motor octane number" or "MON" means a knock
11 characteristic of gasoline determined by use of standard procedures
12 on a motor engine.

13 (T) ~~(v)~~—"Operator" means a person who owns, leases, operates,
14 manages, supervises, or controls, directly or indirectly, a
15 gasoline-dispensing facility.

16 (U) ~~(w)~~—"Oxygenate" means an oxygen-containing, ashless,
17 organic compound, such as alcohol or ether, that may be used as
18 fuel or fuel supplement.

19 (V) ~~(x)~~—"Person" means an individual, sole proprietorship,
20 partnership, corporation, association, or other legal entity.

21 (W) **"PSI" MEANS POUNDS PER SQUARE INCH.**

22 (X) ~~(y)~~—"Refiner" means a person who owns, leases, operates,
23 controls, or supervises a refinery.

24 (Y) ~~(z)~~—"Refinery" means a plant at which gasoline is
25 produced.

26 (Z) ~~(aa)~~—"Research octane number" or "RON" means a knock
27 characteristic of gasoline determined by use of standard procedures

1 on a research engine.

2 (AA) ~~(bb)~~ "Retail dealer" means a person who owns, leases,
3 operates, controls, or supervises a retail outlet.

4 (BB) ~~(cc)~~ "Retail outlet" means an establishment at which
5 motor fuel is sold or offered for sale to the public.

6 (CC) ~~(dd)~~ "Rule" means a rule promulgated pursuant to the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
8 24.328.

9 (DD) ~~(ee)~~ "Stage I vapor-recovery system" means a vapor tight
10 collection system that is approved by the department and is
11 designed to capture the gasoline vapors displaced during delivery
12 into a stationary storage tank and to return not less than 90% of
13 the displaced vapors to the delivery vessel.

14 (EE) "VAPOR PRESSURE" MEANS THE VAPOR PRESSURE OF GASOLINE OR
15 GASOLINE OXYGENATE BLEND AS DETERMINED BY ASTM TEST METHOD D6378 OR
16 D5191 OR ANOTHER ASTM METHOD APPROVED BY THE DEPARTMENT.

17 Sec. 3. (1) ~~The director shall establish standards pursuant to~~
18 ~~this act to ensure the purity and quality of gasoline and diesel~~
19 ~~fuel sold or offered for sale in this state. GASOLINE, ETHANOL~~
20 ~~FUEL, FUELS CONTAINING ETHANOL, DIESEL FUEL, BIODIESEL, AND~~
21 ~~BIODIESEL BLENDS SOLD OR OFFERED FOR SALE IN THIS STATE SHALL MEET~~
22 ~~THE FOLLOWING STANDARDS:~~

23 (A) ASTM D4814-11B, "STANDARD SPECIFICATION FOR AUTOMOTIVE
24 SPARK-IGNITION ENGINE FUEL".

25 (B) ASTM D5798-11, "STANDARD SPECIFICATION FOR ETHANOL FUEL
26 BLENDS FOR FLEXIBLE-FUEL AUTOMOTIVE SPARK-IGNITION ENGINES".

27 (C) ASTM D6751-11B, "STANDARD SPECIFICATION FOR BIODIESEL FUEL

1 BLEND STOCK (B100) FOR MIDDLE DISTILLATE FUELS".

2 (D) ASTM D975-11B, "STANDARD SPECIFICATION FOR DIESEL FUEL
3 OILS".

4 (E) ASTM D7467-10 "STANDARD SPECIFICATION FOR DIESEL FUEL OIL,
5 BIODIESEL BLEND (B6 TO B20)".

6 (2) The director shall establish standards for the amount and
7 type of additives allowed ~~to be included in~~ gasoline and diesel
8 fuel. HOWEVER, WHEN GASOLINE IS BLENDED WITH ETHANOL, BOTH OF THE
9 FOLLOWING APPLY:

10 (A) THE ETHANOL SHALL MEET THE STANDARDS OF ASTM D4806-11A,
11 "STANDARD SPECIFICATION FOR DENATURED FUEL ETHANOL FOR BLENDING
12 WITH GASOLINE FOR USE AS AUTOMOTIVE SPARK-IGNITION ENGINE FUEL".

13 (B) THE BLEND SHALL MEET THE STANDARDS OF ASTM D4814-11B,
14 EXCEPT THAT THE MAXIMUM VAPOR PRESSURE MAY EXCEED THE ASTM D4814-
15 11B LIMITS BY NOT MORE THAN THE FOLLOWING:

16 (i) FOR BLENDS CONTAINING 9% TO 10% ETHANOL BY VOLUME, 1.0 PSI,
17 FROM JUNE 1 THROUGH SEPTEMBER 15.

18 (ii) FOR BLENDS CONTAINING 1% OR MORE ETHANOL BY VOLUME, FOR
19 VOLATILITY CLASSES A, B, C, AND D, 1.0 PSI, FROM SEPTEMBER 16
20 THROUGH MAY 31.

21 (iii) FOR BLENDS CONTAINING 1% OR MORE ETHANOL BY VOLUME, FOR
22 VOLATILITY CLASS E, 0.5 PSI, FROM SEPTEMBER 16 THROUGH MAY 31.

23 (3) The director shall establish standards for the grading of
24 gasoline, including, but not limited to, ~~subregular with a minimum~~
25 ~~85-AKI,~~ regular with a minimum ~~87-87.0~~ AKI and a minimum ~~82-82.0~~
26 MON, midgrade 88 with a minimum ~~88-88.0~~ AKI and a minimum ~~82-82.0~~
27 MON, midgrade 89 with a minimum ~~89-89.0~~ AKI and a minimum ~~83-83.0~~

1 MON, premium with a minimum ~~90~~**90.0** AKI, premium 91 with a minimum
2 ~~91~~**91.0** AKI, premium 92 with a minimum ~~92~~**92.0** AKI, premium 93 with
3 a minimum ~~93~~**93.0** AKI, and premium 94 with a minimum ~~94~~**94.0** AKI.

4 (4) The director shall establish standards for vapor pressure
5 as specified by ~~the American society for testing and materials,~~
6 **ASTM**, except as otherwise required to conform to federal or state
7 law. Notwithstanding ~~anything to the contrary in~~ section 10d, the
8 director shall establish the vapor pressure as 9.0 ~~pounds per~~
9 ~~square inch (psi)~~**PSI** for retail outlets during the period
10 beginning June 1 through September 15 of each year, except for
11 dispensing facilities in counties where the director establishes
12 the vapor pressure as 7.0 psi or 7.8 psi in the year 2007 and
13 thereafter. ~~As used in this act, "vapor pressure" means the vapor~~
14 ~~pressure of gasoline or gasoline oxygenate blend as determined by~~
15 ~~ASTM test method D6378 or D5191 or an ASTM method approved by the~~
16 ~~department.~~

17 (5) In establishing additive and grading standards, the
18 director shall adopt the latest standards for gasoline established
19 by ~~the American society for testing and materials~~ **ASTM** and shall
20 adopt the latest standards for gasoline established by federal law
21 or regulation. The standards established by the director shall not
22 prohibit a gasoline blend that is permitted by a valid waiver
23 granted by the United States environmental protection agency
24 pursuant to the fuel or fuel additive waiver in section 211(f)(4)
25 of part A of title II of the clean air act, 42 USC 7545, ~~and OR~~ the
26 ethanol waiver of 1.0 psi in section 211(h)(4) of part A of title
27 II of the clean air act, 42 USC 7545, if the gasoline blend meets

all of the conditions set forth in the waiver. ~~Beginning June 1, 2003, the director shall not permit the~~ **THE** use of the additive methyl tertiary butyl ether (MTBE) **IS PROHIBITED** in this state.

~~—— (6) The director shall establish standards pursuant to this act to ensure the purity and quality of diesel fuel sold or offered for sale in this state. No later than June 1, 2009, the director shall make available for public comment proposed standards to ensure the purity and quality of diesel fuel that is biodiesel or a biodiesel blend, including, but not limited to, a biodiesel blend designated as B20.~~

(6) ~~(7)~~ Any firm offering hydrogen fuel for sale in this state shall first register with and obtain approval from the department. Registration shall include a complete list of the fuel specifications the product is to meet and the sites where the product is offered for sale to the general public.

(7) ~~(8)~~ Standards established ~~pursuant to~~ **BY THE DIRECTOR UNDER** this section shall be **ESTABLISHED** by rules promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Sec. 4a. (1) A **MOTOR FUEL** storage tank at a retail outlet shall be periodically tested by the retail dealer to ~~insure~~ **ENSURE** that the tank does not have water or water-alcohol at the bottom of that tank in an amount greater than ~~2 inches~~ **1/2 INCH**. If there is more than ~~2 inches~~ **1/2 INCH** of water or water-alcohol at the bottom of the storage tank, ~~gasoline, diesel fuel, biodiesel, or biodiesel blend~~ **MOTOR FUEL** shall not be sold to a consumer from that tank until the water or water-alcohol level is reduced to a level of

1 less than ~~2 inches~~. **1/2 INCH.**

2 (2) ~~Adequate testing supplies, as determined by the~~
3 ~~department, shall be maintained at the retail outlet and shall also~~
4 ~~be made~~ **A RETAIL OUTLET SHALL MAINTAIN ON THE PREMISES AND MAKE**
5 available to the department ~~to determine~~ **ADEQUATE TESTING SUPPLIES,**
6 **AS DETERMINED BY THE DEPARTMENT, FOR ASCERTAINING** the water or
7 water-alcohol level in ~~the~~ **A MOTOR FUEL** storage tank.