

FEB 7 2006  
Agriculture

HOUSE FILE 2263  
BY MAY

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to motor vehicles and motor vehicle fuel, by  
2 providing for notice to consumers that a motor vehicle is a  
3 flexible fuel motor vehicle.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

HF 2263

1 Section 1. Section 159A.2, Code 2005, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 3A. "E-85 gasoline" and "ethanol blended  
4 gasoline" mean the same as defined in section 214A.1.

5 Sec. 2. Section 159A.2, subsection 6, Code 2005, is  
6 amended to read as follows:

7 6. "Renewable fuel" means an energy source at least in  
8 part derived from an organic compound capable of powering  
9 machinery, including an engine or power plant. A renewable  
10 fuel includes but is not limited to ~~ethanol-blended~~ ethanol  
11 blended gasoline or soydiesel fuel.

12 Sec. 3. Section 159A.6, subsection 2, unnumbered paragraph  
13 2, Code 2005, is amended to read as follows:

14 2A. The committee shall develop standards for decals  
15 required pursuant to section 214A.16, which shall be designed  
16 to promote the advantages of using renewable fuels. The  
17 standards may be incorporated within a model decal adopted by  
18 the committee and approved by the office. The committee shall  
19 assist the state department of transportation in developing  
20 standards for a decal required to be affixed to a flexible  
21 fuel motor vehicle offered for sale by a dealer pursuant to  
22 section 321.163.

23 Sec. 4. Section 214A.1, Code 2005, is amended by adding  
24 the following new subsections:

25 NEW SUBSECTION. 1A. "E-85 gasoline" means ethanol blended  
26 gasoline formulated with a minimum percentage of between  
27 seventy-five and eighty-five percent by volume of ethanol, if  
28 the formulation meets the standards provided in section  
29 214A.2.

30 NEW SUBSECTION. 1B. "Ethanol" means ethyl alcohol that is  
31 denatured as required in 23 C.F.R., pts. 20 and 21, for use as  
32 an oxygenate octane enhancer in gasoline.

33 NEW SUBSECTION. 1C. "Ethanol blended gasoline" means a  
34 formulation of gasoline which is a liquid petroleum product  
35 blended with ethanol, if the formulation meets the standards

1 provided in section 214A.2.

2 NEW SUBSECTION. 1D. "Gasoline" means any liquid product  
3 prepared, advertised, offered for sale or sold for use as, or  
4 commonly and commercially used as, motor vehicle fuel for use  
5 in a spark-ignition, internal combustion engine, and which  
6 meets the specifications provided in section 214A.2.

7 Sec. 5. Section 214A.2, subsection 3, Code 2005, is  
8 amended by striking the subsection and inserting in lieu  
9 thereof the following:

10 3. For motor vehicle fuel advertised for sale or sold as  
11 gasoline by a dealer, the motor vehicle fuel must meet  
12 registration requirements for fuels and fuel additives  
13 established by the United States environmental protection  
14 agency including as provided under 42 U.S.C. § 7545. If the  
15 motor vehicle fuel is advertised for sale or sold as ethanol  
16 blended gasoline, the motor vehicle fuel must comply with  
17 departmental standards which to every extent feasible shall  
18 comply with specifications adopted by A.S.T.M. international.

19 a. For ethanol blended gasoline all of the following shall  
20 apply:

21 (1) Except as provided in subparagraph (2), at least ten  
22 percent of the gasoline by volume must be ethanol.

23 (2) For E-85 gasoline all of the following must apply:

24 (a) From the first day of April until the last day of  
25 October, at least eighty-five percent of the gasoline by  
26 volume must be ethanol.

27 (b) From the first day of November until the last day of  
28 March, at least seventy-five percent of the gasoline by volume  
29 must be ethanol.

30 b. In calculating the percentage of ethanol required for  
31 the formulation of ethanol blended fuel, a percentage of a  
32 denaturant or contaminants permitted in the ethanol blended  
33 gasoline may be excluded as provided by rules adopted by the  
34 department.

35

FLEXIBLE FUEL VEHICLES

1 Sec. 6. NEW SECTION. 321.163 FLEXIBLE FUEL MOTOR  
2 VEHICLES -- DECAL REQUIRED.

3 A dealer who sells motor vehicles on a retail basis shall  
4 affix a removable decal on each flexible fuel motor vehicle  
5 equipped with an engine operating using E-85 gasoline as  
6 defined in section 214A.1 which notifies consumers that the  
7 motor vehicle is a flexible fuel motor vehicle. The dealer  
8 shall affix the decal to a flexible fuel motor vehicle's  
9 windshield or motor fuel tank door. The department may  
10 approve an application submitted by a dealer in a manner  
11 prescribed by the department to affix the decal in a special  
12 location on the motor vehicle or use a temporary placard  
13 conspicuously placed on the flexible fuel motor vehicle in a  
14 manner approved by the department until the decal is  
15 available. The department shall adopt standards for the  
16 design of the decal in cooperation with the renewable fuels  
17 and coproducts advisory committee established pursuant to  
18 section 159A.4.

19 Sec. 7. Section 452A.2, Code Supplement 2005, is amended  
20 by adding the following new subsection:

21 NEW SUBSECTION. 9A. "E-85 gasoline" means the same as  
22 defined in section 214A.1.

23 Sec. 8. Section 452A.2, subsection 11, Code Supplement  
24 2005, is amended to read as follows:

25 11. "Ethanol blended gasoline" means ~~motor-fuel-containing~~  
26 ~~at-least-ten-percent-alcohol-distilled-from-cereal-grains~~ the  
27 same as defined in section 214A.1.

28 Sec. 9. Section 452A.3, subsection 1B, Code Supplement  
29 2005, is amended to read as follows:

30 1B. An excise tax of seventeen cents is imposed on each  
31 gallon of E-85 gasoline, ~~which-contains-at-least-eighty-five~~  
32 ~~percent-denatured-alcohol-by-volume-from-the-first-day-of~~  
33 ~~April-until-the-last-day-of-October-or-seventy-percent~~  
34 ~~denatured-alcohol-from-the-first-day-of-November-until-the~~  
35 ~~last-day-of-March,~~ used for the privilege of operating motor

1 vehicles in this state.

2

EXPLANATION

3 This bill amends Code chapter 214A, which provides  
4 authority to the department of agriculture and land  
5 stewardship to regulate the sale of motor vehicle fuel. The  
6 bill amends Code section 214A.1 by providing definitions for  
7 "ethanol", "ethanol blended gasoline", and "E-85 gasoline".  
8 It also amends Code section 214A.2, which provides for  
9 different types of gasoline and establishes standards for  
10 gasoline, commonly based on A.S.T.M. international  
11 specifications. The bill amends the section to require that  
12 ethanol blended gasoline contain a blend of at least 10  
13 percent ethanol. It designates gasoline with a minimum  
14 seasonal blend of between 75 and 85 percent or more ethanol as  
15 E-85 blended gasoline based on current law (see Code  
16 Supplement section 452A.3).

17 The bill amends Code chapter 321, which regulates motor  
18 vehicles and the law of the road. Specifically, it regulates  
19 dealers who have an established place of business in this  
20 state for purposes of buying, selling, or exchanging motor  
21 vehicles registered under the Code chapter.

22 The bill provides that a dealer who sells motor vehicles on  
23 a retail basis must affix a removable decal on each flexible  
24 fuel motor vehicle equipped with an engine operating using E-  
25 85 gasoline which notifies consumers that the motor vehicle is  
26 a flexible fuel motor vehicle. The bill provides where the  
27 decal is to be placed on the flexible fuel motor vehicle and  
28 allows a dealer to use a placard in lieu of the decal until  
29 the decal is available. The department must establish  
30 standards for the design of the decal in cooperation with the  
31 renewable fuels and coproducts advisory committee established  
32 within the department of agriculture and land stewardship.

33

34

35