

House Engrossed Senate Bill

~~gasoline formulations; air quality.~~  
(now: conditional enactment; fuel reformulations)

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

## SENATE BILL 1064

AN ACT

AMENDING SECTION 3-3493, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 232, SECTION 27; AMENDING SECTION 3-3493, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 295, SECTION 2; AMENDING SECTION 3-3494, ARIZONA REVISED STATUTES; AMENDING TITLE 3, CHAPTER 19, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 3-3499, 3-3500 AND 3-3501; AMENDING SECTION 44-1374, ARIZONA REVISED STATUTES; AMENDING TITLE 49, CHAPTER 3, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 49-468; RELATING TO FUEL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 3-3493, Arizona Revised Statutes, as amended by  
3 Laws 2016, chapter 232, section 27, is amended to read:

4 3-3493. Area A; fuel reformulation; rules

5 A. All gasoline produced and shipped to or within this state and  
6 sold or offered for sale for use in motor vehicles in a county with a  
7 population of one million two hundred thousand or more persons and any  
8 portion of a county contained in area A, subject to an appropriate waiver  
9 granted by the administrator of the United States environmental protection  
10 agency pursuant to section 211(c)(4) of the clean air act as defined in  
11 section 49-401.01, shall comply with ~~either~~ ONE of the following fuel  
12 reformulation options:

13 1. A gasoline that meets standards for federal phase II  
14 reformulated gasoline, as provided in 40 Code of Federal Regulations  
15 section 80.41, paragraphs (e) through (h), in effect on January 1, 1999,  
16 except that the minimum oxygen content standard does not apply. The  
17 gasoline shall also meet the maximum vapor pressure requirements in  
18 section 3-3433, subsections D and F.

19 2. California phase 2 reformulated gasoline, including alternative  
20 formulations allowed by the predictive model, as adopted by the California  
21 air resources board pursuant to California Code of Regulations title 13,  
22 sections 2261 through 2262.7 and 2265, in effect on January 1, 1997,  
23 except that the minimum oxygen content standard does not apply. The  
24 gasoline shall also meet the maximum vapor pressure requirements in  
25 section 3-3433, subsections D and F.

26 B. For the period beginning November 1 through March 31 of each  
27 year, all gasoline produced and shipped to or within this state and sold  
28 or offered for sale for use in motor vehicles in a county with a  
29 population of one million two hundred thousand or more persons and any  
30 portion of a county contained in area A, subject to an appropriate waiver  
31 granted by the administrator of the United States environmental protection  
32 agency pursuant to section 211(c)(4) of the clean air act as defined in  
33 section 49-401.01, shall comply with standards for California phase 2  
34 reformulated gasoline, including alternative formulations allowed by the  
35 predictive model, as adopted by the California air resources board  
36 pursuant to California Code of Regulations title 13, sections 2261 through  
37 2262.7 and 2265, in effect on January 1, 1997 and shall meet the maximum  
38 vapor pressure requirements in section 3-3433, subsections D and F. The  
39 fuel described in this subsection shall meet the requirements of section  
40 3-3492, subsection A, paragraph 1.

41 ~~C. Any registered supplier or oxygenate blender, as defined in~~  
42 ~~division rules, may petition the associate director to request that all~~  
43 ~~registered suppliers or oxygenate blenders be allowed to comply with~~  
44 ~~standards other than the standards prescribed by section 3-3492,~~

1 ~~subsection A if the petitioner can demonstrate ethanol supply shortages~~  
2 ~~are imminent.~~

3 ~~D. The petition shall:~~

4 ~~1. Identify specific supply conditions that will result in a~~  
5 ~~shortage of ethanol.~~

6 ~~2. Identify which oxygenate or oxygenates and the concentration~~  
7 ~~that will be blended into gasoline for sale or use in area A.~~

8 ~~3. Demonstrate that the alternative oxygenate blend comes closest~~  
9 ~~to meeting a three and one-half percent by weight oxygen content at~~  
10 ~~reasonable cost, unless the registered supplier or oxygenate blender is~~  
11 ~~petitioning to use a gasoline-ethanol blend containing less than ten~~  
12 ~~percent by volume of ethanol.~~

13 ~~4. Specify a time period for compliance with any provision of~~  
14 ~~section 3-3492, subsection A, not to exceed sixty days.~~

15 ~~E. The associate director shall either grant or deny the petition~~  
16 ~~in writing within seven days of its receipt. Any decision by the~~  
17 ~~associate director to grant the petition shall be equally applicable to~~  
18 ~~all registered suppliers or oxygenate blenders and shall not be~~  
19 ~~selectively applied to any single registered supplier or oxygenate~~  
20 ~~blender. The petition may be granted only if the associate director~~  
21 ~~verifies that the basis for requesting the petition is factual.~~

22 ~~F. The associate director may reauthorize a petition if the~~  
23 ~~petitioner can demonstrate that the conditions have continued. The~~  
24 ~~reauthorization of a petition shall not exceed thirty days.~~

25 ~~G. The associate director of the division shall consult with the~~  
26 ~~director of the department of environmental quality before granting,~~  
27 ~~reauthorizing or denying any such petition.~~

28 ~~H. C.~~ ~~The ASSOCIATE director of environmental quality~~ ~~THE~~  
29 ~~DIVISION,~~ in consultation with the ~~associate~~ director of the ~~division~~  
30 ~~DEPARTMENT OF ENVIRONMENTAL QUALITY,~~ shall adopt by rule:

31 1. Requirements to implement subsections A, ~~AND B,~~ ~~C and D~~ of this  
32 section.

33 2. Requirements for recordkeeping, reporting and analytical methods  
34 for fuel providers to demonstrate compliance with subsections A, ~~AND B,~~ ~~C~~  
35 ~~and D~~ of this section.

36 ~~I. D.~~ This section does not apply to fuel sold for use at a motor  
37 vehicle manufacturer proving ground or at a motor vehicle racing event.

38 Sec. 2. Section 3-3493, Arizona Revised Statutes, as amended by  
39 Laws 2017, chapter 295, section 2, is amended to read:

40 3-3493. Area A; fuel reformulation; rules

41 A. All gasoline produced and shipped to or within this state and  
42 sold or offered for sale for use in motor vehicles in a county with a  
43 population of one million two hundred thousand or more persons and any  
44 portion of a county contained in area A, subject to an appropriate waiver

1 granted by the administrator of the United States environmental protection  
2 agency pursuant to section 211(c)(4) of the clean air act as defined in  
3 section 49-401.01, shall comply with ~~either~~ ONE of the following fuel  
4 reformulation options:

5 1. A gasoline that meets standards for federal phase II  
6 reformulated gasoline, as provided in 40 Code of Federal Regulations  
7 section 80.41, paragraphs (e) through (h), in effect on January 1, 1999,  
8 except that the minimum oxygen content standard does not apply. The  
9 gasoline shall also meet the maximum vapor pressure requirements in  
10 section 3-3433, subsections D and F.

11 2. California phase 2 reformulated gasoline, including alternative  
12 formulations allowed by the predictive model, as adopted by the California  
13 air resources board pursuant to California Code of Regulations title 13,  
14 sections 2261 through 2262.7 and 2265, in effect on January 1, 1997,  
15 except that the minimum oxygen content standard does not apply. The  
16 gasoline shall also meet the maximum vapor pressure requirements in  
17 section 3-3433, subsections D and F.

18 B. For the period beginning November 1 through March 31 of each  
19 year, all gasoline produced and shipped to or within this state and sold  
20 or offered for sale for use in motor vehicles in a county with a  
21 population of one million two hundred thousand or more persons and any  
22 portion of a county contained in area A, subject to an appropriate waiver  
23 granted by the administrator of the United States environmental protection  
24 agency pursuant to section 211(c)(4) of the clean air act as defined in  
25 section 49-401.01, shall comply with standards for California phase 2  
26 reformulated gasoline, including alternative formulations allowed by the  
27 predictive model, as adopted by the California air resources board  
28 pursuant to California Code of Regulations title 13, sections 2261 through  
29 2262.7 and 2265, in effect on January 1, 1997 and shall meet the maximum  
30 vapor pressure requirements in section 3-3433, subsections D and F. The  
31 fuel described in this subsection shall meet the requirements of section  
32 3-3492, subsection A, paragraph 1 or 2.

33 ~~C. Any registered supplier or oxygenate blender, as defined in~~  
34 ~~division rules, may petition the associate director to request that all~~  
35 ~~registered suppliers or oxygenate blenders be allowed to comply with~~  
36 ~~standards other than the standards prescribed by section 3-3492,~~  
37 ~~subsection A if the petitioner can demonstrate that ethanol supply~~  
38 ~~shortages are imminent.~~

39 ~~D. The petition shall:~~

40 ~~1. Identify specific supply conditions that will result in a~~  
41 ~~shortage of ethanol.~~

42 ~~2. Identify which oxygenate or oxygenates and the concentration~~  
43 ~~that will be blended into gasoline for sale or use in area A.~~

1 ~~3. Demonstrate that the alternative oxygenate blend comes closest~~  
2 ~~to meeting a three and one-half percent by weight oxygen content at~~  
3 ~~reasonable cost, unless the registered supplier or oxygenate blender is~~  
4 ~~petitioning to use a gasoline-ethanol blend containing less than ten~~  
5 ~~percent by volume of ethanol.~~

6 ~~4. Specify a time period for compliance with any provision of~~  
7 ~~section 3-3492, subsection A, not to exceed sixty days.~~

8 ~~E. The associate director shall either grant or deny the petition~~  
9 ~~in writing within seven days of its receipt. Any decision by the~~  
10 ~~associate director to grant the petition shall be equally applicable to~~  
11 ~~all registered suppliers or oxygenate blenders and shall not be~~  
12 ~~selectively applied to any single registered supplier or oxygenate~~  
13 ~~blender. The petition may be granted only if the associate director~~  
14 ~~verifies that the basis for requesting the petition is factual.~~

15 ~~F. The associate director may reauthorize a petition if the~~  
16 ~~petitioner can demonstrate that the conditions have continued. The~~  
17 ~~reauthorization of a petition shall not exceed thirty days.~~

18 ~~G. The associate director of the division shall consult with the~~  
19 ~~director of the department of environmental quality before granting,~~  
20 ~~reauthorizing or denying any such petition.~~

21 ~~H. C. The ASSOCIATE director of environmental quality THE~~  
22 ~~DIVISION, in consultation with the associate director of the division~~  
23 ~~DEPARTMENT OF ENVIRONMENTAL QUALITY, shall adopt by rule:~~

24 1. Requirements to implement subsections A, ~~AND B, C and D~~ of this  
25 section.

26 2. Requirements for recordkeeping, reporting and analytical methods  
27 for fuel providers to demonstrate compliance with subsections A, ~~AND B, C~~  
28 ~~and D~~ of this section.

29 ~~I. D.~~ D. This section does not apply to fuel sold for use at a motor  
30 vehicle manufacturer proving ground or at a motor vehicle racing event.

31 Sec. 3. Section 3-3494, Arizona Revised Statutes, is amended to  
32 read:

33 3-3494. Area C; fuel reformulation; rules

34 A. From and after May 31 through September 30 of each year, all  
35 gasoline produced and shipped to or within this state and sold or offered  
36 for sale for use in motor vehicles in area C shall comply with ~~either ONE~~  
37 of the following fuel reformulation options:

38 1. A gasoline that meets standards for federal phase II  
39 reformulated gasoline, as provided in 40 Code of Federal Regulations  
40 section 80.41, paragraphs (e) through (h), in effect on January 1, 1999,  
41 except that the minimum oxygen content standard does not apply. The  
42 gasoline shall also meet the maximum vapor pressure requirements in  
43 section 3-3434, subsection D.

1           2. California phase 2 reformulated gasoline, including alternative  
2 formulations allowed by the predictive model, as adopted by the California  
3 air resources board pursuant to California Code of Regulations title 13,  
4 sections 2261 through 2262.7 and 2265, in effect on January 1, 1997,  
5 except that the minimum oxygen content standard does not apply. The  
6 gasoline shall also meet the maximum vapor pressure requirements in  
7 section 3-3434, subsection D.

8           ~~B. Any registered supplier or oxygenate blender, as defined in~~  
9 ~~division rules, may petition the associate director to request that all~~  
10 ~~registered suppliers or oxygenate blenders be allowed to supply gasoline~~  
11 ~~in area C that does not meet the standards in subsection A of this section~~  
12 ~~if the petitioner demonstrates that a shortage in the supply of gasoline~~  
13 ~~meeting the standards in subsection A of this section is imminent.~~

14           ~~C. A petition under subsection B of this section shall:~~

15           ~~1. Identify specific supply conditions that will result in a~~  
16 ~~shortage of gasoline meeting the standards in subsection A of this~~  
17 ~~section.~~

18           ~~2. Identify the formulation of gasoline that will be sold in area C~~  
19 ~~in lieu of gasoline meeting the standards in subsection A of this section.~~

20           ~~3. Specify a time period for compliance with the standards of~~  
21 ~~subsection A of this section not to exceed sixty days.~~

22           ~~D. The associate director shall either grant or deny a petition~~  
23 ~~under subsection B of this section in writing within seven days of its~~  
24 ~~receipt. Any decision by the associate director to grant the petition~~  
25 ~~shall be equally applicable to all registered suppliers or oxygenate~~  
26 ~~blenders and shall not be selectively applied to any single registered~~  
27 ~~supplier or oxygenate blender. The petition may be granted only if the~~  
28 ~~associate director verifies that the basis for requesting the petition is~~  
29 ~~factual.~~

30           ~~E. The associate director may reauthorize a petition granted under~~  
31 ~~subsection B of this section if the petitioner demonstrates that the~~  
32 ~~conditions identified in the petition have continued. The reauthorization~~  
33 ~~of a petition shall not exceed thirty days.~~

34           ~~F. The associate director of the division shall consult with the~~  
35 ~~director of the department of environmental quality before granting,~~  
36 ~~reauthorizing or denying any petition under subsection B of this section.~~

37           ~~G.~~ B. The associate director OF THE DIVISION, in consultation with  
38 the director of the department of environmental quality, shall adopt by  
39 rule:

40           1. Requirements to implement ~~subsections~~ SUBSECTION A, ~~B and C~~ of  
41 this section.

42           2. Requirements for recordkeeping, reporting and analytical methods  
43 for fuel providers to demonstrate compliance with subsection A of this  
44 section.

1           ~~H.~~ C. This section does not apply to fuel sold for use at a motor  
2 vehicle manufacturer proving ground or at a motor vehicle racing event.

3           Sec. 4. Title 3, chapter 19, article 6, Arizona Revised Statutes,  
4 is amended by adding sections 3-3499, 3-3500 and 3-3501, to read:

5           3-3499. Motor fuel waiver requests; definition

6           A. ANY PERSON MAY PETITION THE ASSOCIATE DIRECTOR TO REQUEST A  
7 WAIVER FROM THE STANDARDS FOR MOTOR FUEL PRESCRIBED IN SECTION 3-3491,  
8 3-3492, 3-3493, 3-3494 OR 3-3495 OR FEDERAL STANDARDS ESTABLISHED BY THE  
9 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY PURSUANT TO THE CLEAN AIR  
10 ACT.

11           B. A PETITION FOR A MOTOR FUEL WAIVER REQUEST PURSUANT TO  
12 SUBSECTION A OF THIS SECTION SHALL DO ALL OF THE FOLLOWING:

13           1. IDENTIFY THE SPECIFIC SUPPLY CONDITIONS THAT WILL RESULT IN A  
14 SHORTAGE OF MOTOR FUEL TO MEET THE APPLICABLE STANDARD.

15           2. IDENTIFY THE GEOGRAPHIC AREA AND MOTOR FUEL STANDARDS FOR WHICH  
16 THE POTENTIAL SHORTAGE EXISTS.

17           3. IDENTIFY THE ALTERNATIVE MOTOR FUEL FORMULATIONS THAT WILL BE  
18 SOLD IN LIEU OF THE MOTOR FUEL THAT MEETS THE APPLICABLE STANDARDS.

19           4. SPECIFY THE TIME PERIOD THAT THE MOTOR FUEL WAIVER IS REQUESTED,  
20 WHICH MAY NOT EXCEED TWENTY DAYS.

21           C. NOT LATER THAN SEVEN DAYS AFTER THE RECEIPT OF A PETITION  
22 SUBMITTED PURSUANT TO SUBSECTION B OF THIS SECTION, THE ASSOCIATE DIRECTOR  
23 OF THE DIVISION, IN CONSULTATION WITH THE DIRECTOR OF THE DEPARTMENT OF  
24 ENVIRONMENTAL QUALITY AND THE UNITED STATES ENVIRONMENTAL PROTECTION  
25 AGENCY, SHALL:

26           1. EVALUATE THE PETITION.

27           2. ISSUE A WRITTEN DECISION DETERMINING WHETHER THE PETITION  
28 INCLUDES THE INFORMATION REQUIRED BY SUBSECTION B OF THIS SECTION AND  
29 MEETS the relevant criteria as prescribed in the clean air act.

30           3. TRANSMIT A COPY OF THE ASSOCIATE DIRECTOR'S WRITTEN DECISION TO  
31 THE PETITIONER, DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY,  
32 PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES.

33           D. IF THE ASSOCIATE DIRECTOR ISSUES A WRITTEN DECISION DETERMINING  
34 THAT THE PETITION MEETS THE CRITERIA IN SUBSECTION B OF THIS SECTION AND  
35 THE CLEAN AIR ACT WITHIN TWENTY-FOUR HOURS OF TRANSMITTAL TO THE DIRECTOR  
36 OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY AS PRESCRIBED BY SUBSECTION C  
37 OF THIS SECTION, THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY,  
38 ON BEHALF OF THE GOVERNOR, SHALL SUBMIT A MOTOR FUEL WAIVER REQUEST TO THE  
39 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.

40           E. ANY DECISION ISSUED BY THE UNITED STATES ENVIRONMENTAL  
41 PROTECTION AGENCY TO WAIVE THE APPLICABLE FEDERAL STANDARDS, AND ANY  
42 DECISION ISSUED BY THE ASSOCIATE DIRECTOR TO WAIVE THE APPLICABLE STATE  
43 STANDARDS, THAT RESULTS FROM THE SUBMISSION OF A MOTOR FUEL WAIVER REQUEST  
44 PURSUANT TO SUBSECTION D OF THIS SECTION SHALL BE APPLIED EQUALLY TO ALL

1 REGULATED PERSONS FOR WHICH THE STANDARDS APPLY. ANY DECISION THAT  
2 RESULTS FROM THE SUBMISSION OF A MOTOR FUEL WAIVER REQUEST PURSUANT TO  
3 SUBSECTION D OF THIS SECTION SHALL BE PROVIDED TO THE PETITIONER, THE  
4 ASSOCIATE DIRECTOR OF THE DIVISION, THE DIRECTOR OF THE DEPARTMENT OF  
5 ENVIRONMENTAL QUALITY, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE  
6 HOUSE OF REPRESENTATIVES AND ALL REGULATED PERSONS FOR WHICH THE STANDARDS  
7 APPLY.

8 F. THE DIRECTOR OF ENVIRONMENTAL QUALITY, IN CONSULTATION WITH THE  
9 ASSOCIATE DIRECTOR OF THE DIVISION, MAY SUBMIT A WRITTEN REQUEST TO THE  
10 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO EXTEND THE MOTOR FUEL  
11 WAIVER GRANTED PURSUANT TO SUBSECTION D OF THIS SECTION IF THE PETITIONER  
12 DEMONSTRATES, AND THE ASSOCIATE DIRECTOR OF THE DIVISION VERIFIES, THAT  
13 THE CONDITIONS IDENTIFIED IN THE PETITION HAVE CONTINUED. THE  
14 REAUTHORIZATION OF A MOTOR FUEL WAIVER MAY NOT EXCEED TWENTY DAYS.

15 G. A PETITION MAY BE SUBMITTED PURSUANT TO SUBSECTION A OF THIS  
16 SECTION FOR MOTOR FUEL PROPERTIES THAT ARE NOT REGULATED BY THE UNITED  
17 STATES ENVIRONMENTAL PROTECTION AGENCY. NOT LATER THAN SEVEN DAYS AFTER  
18 THE RECEIPT OF A PETITION SUBMITTED PURSUANT TO THIS SUBSECTION, THE  
19 ASSOCIATE DIRECTOR OF THE DIVISION SHALL EVALUATE THE PETITION AND, AFTER  
20 CONSULTATION WITH AND CONCURRENCE BY THE DIRECTOR OF THE DEPARTMENT OF  
21 ENVIRONMENTAL QUALITY, ISSUE A WRITTEN DECISION DETERMINING WHETHER THE  
22 PETITION INCLUDES THE INFORMATION REQUIRED IN SUBSECTION B OF THIS SECTION  
23 AND MEETS THE CRITERIA OF THE CLEAN AIR ACT AND WHETHER TO ISSUE A WAIVER  
24 TO WAIVE THE APPLICABLE STATE MOTOR FUEL REQUIREMENTS. THE ASSOCIATE  
25 DIRECTOR SHALL TRANSMIT A COPY OF ANY WRITTEN DECISION THE ASSOCIATE  
26 DIRECTOR OF THE DIVISION ISSUES PURSUANT TO THIS SUBSECTION TO THE  
27 PETITIONER, THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, THE  
28 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

29 H. IF ANY PERSON SUBMITS A PETITION PURSUANT TO SUBSECTION A OF  
30 THIS SECTION, THE ASSOCIATE DIRECTOR SHALL PROVIDE WRITTEN NOTICE THAT THE  
31 PETITION WAS SUBMITTED WITHIN TWO BUSINESS DAYS OF RECEIPT OF THE PETITION  
32 TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
33 REPRESENTATIVES. FOR THE PURPOSES OF THIS SUBSECTION, ALL OF THE  
34 FOLLOWING ARE EXEMPT FROM THE PROVISIONS OF TITLE 39, CHAPTER 1 AND SHALL  
35 COMPLY WITH THE REQUIREMENTS OF SECTION 44-1374:

36 1. ALL COMMUNICATION REGARDING A PETITION BETWEEN THE PRESIDENT OF  
37 THE SENATE OR THE PRESIDENT'S AGENT AND ANY OTHER PERSON.

38 2. ALL COMMUNICATION REGARDING A PETITION BETWEEN THE SPEAKER OF  
39 THE HOUSE OF REPRESENTATIVES OR THE SPEAKER'S AGENT AND ANY OTHER PERSON.

40 3. ALL NOTICES THE ASSOCIATE DIRECTOR PROVIDES TO THE PRESIDENT OF  
41 THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR TO THEIR  
42 RESPECTIVE AGENTS.

43 I. FOR THE PURPOSES OF THIS SECTION, "CLEAN AIR ACT" HAS THE SAME  
44 MEANING PRESCRIBED IN SECTION 3-3511.



1           3-3500. Additional motor fuel blend; study; report

2           A. ON RECEIPT OF WRITTEN NOTIFICATION FROM THE DIRECTOR OF THE  
3 DEPARTMENT OF ENVIRONMENTAL QUALITY PURSUANT TO SECTION 49-468, THE  
4 ASSOCIATE DIRECTOR OF THE DIVISION, IN CONSULTATION WITH REGISTERED  
5 SUPPLIERS AND OXYGENATE BLENDERS, AS DEFINED IN DIVISION RULE, THAT MAY BE  
6 LIKELY TO SUPPLY OR PRODUCE A BLEND FOR THIS STATE THAT IS INCLUDED IN THE  
7 DIRECTOR OF DEPARTMENT OF ENVIRONMENTAL QUALITY'S FINDINGS PURSUANT TO  
8 SECTION 49-468, SHALL CONDUCT A STUDY TO EVALUATE THE FEASIBILITY OF  
9 AUTHORIZING OR OBTAINING A NEW BLEND FOR SALE OR USE IN THIS STATE,  
10 INCLUDING THE IMPACT ON THE STATE'S TRANSPORTATION FUEL SUPPLY AND THE  
11 AVAILABILITY OF TRANSPORTATION OR SUPPLY CAPACITY TO PROVIDE THE NEW  
12 BLEND.

13           B. WITHIN ONE HUNDRED TWENTY DAYS AFTER RECEIVING THE WRITTEN  
14 NOTICE PURSUANT TO SECTION 49-468 AND COMPLETING THE FEASIBILITY STUDY  
15 REQUIRED BY SUBSECTION A OF THIS SECTION, THE ASSOCIATE DIRECTOR OF THE  
16 DIVISION, IN CONSULTATION WITH THE DIRECTOR OF THE DEPARTMENT OF  
17 ENVIRONMENTAL QUALITY, SHALL PREPARE AND SUBMIT TO THE GOVERNOR, PRESIDENT  
18 OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES A WRITTEN REPORT  
19 OF THE FOLLOWING INFORMATION:

20           1. THE FINDINGS OF THE AIR EMISSIONS MODEL EVALUATED PURSUANT TO  
21 SECTION 49-468.

22           2. THE RESULTS OF THE FEASIBILITY STUDY COMPLETED PURSUANT TO  
23 SUBSECTION A OF THIS SECTION.

24           3. LEGISLATIVE RECOMMENDATIONS BASED ON THE FINDINGS AND RESULTS  
25 PROVIDED PURSUANT TO PARAGRAPHS 1 AND 2 OF THIS SUBSECTION.

26           3-3501. Approved gasoline formulations; posting requirement

27           A. THE ASSOCIATE DIRECTOR SHALL POST ON THE DEPARTMENT'S WEBSITE A  
28 LIST OF ALL APPROVED GASOLINE FORMULATIONS BY AREA IN THIS STATE. THE  
29 ASSOCIATE DIRECTOR SHALL UPDATE THE LIST AS THE UNITED STATES  
30 ENVIRONMENTAL PROTECTION AGENCY APPROVES OR DENIES NEW GASOLINE  
31 FORMULATIONS PURSUANT TO THIS ARTICLE.

32           B. THE ASSOCIATE DIRECTOR SHALL POST SEPARATELY ON THE DEPARTMENT'S  
33 WEBSITE BOTH OF THE FOLLOWING:

34           1. A MAP THAT INCLUDES ALL CURRENTLY APPROVED GASOLINE FORMULATIONS  
35 BY AREA IN THIS STATE.

36           2. A MAP OF AREA A, AREA B AND AREA C.

37           Sec. 5. Section 44-1374, Arizona Revised Statutes, is amended to  
38 read:

39           44-1374. Confidentiality of petroleum industry information;  
40 disclosure; supply emergency; definitions

41           A. A governmental entity shall classify as confidential and not  
42 publicly disclose any documents or other information that is received from  
43 any petroleum industry related private or public source if the person or

1 entity that provides the information agrees to provide the information  
2 only on the express condition that the information remain confidential.

3 B. If a governmental entity receives a request to publicly disclose  
4 information that is confidential information or for any other reason  
5 proposes to publicly disclose confidential information, the governmental  
6 entity shall provide to the person or entity that submitted the  
7 confidential information notice in writing of the request or proposal to  
8 disclose. The notice shall identify the confidential information that  
9 would be disclosed and indicate the form in which the confidential  
10 information would be provided. On receipt of the notice, the person or  
11 entity that submitted the confidential information has fifteen working  
12 days in which to respond to the notice and to either withdraw the request  
13 for confidentiality or justify to the governmental entity the claim of  
14 confidentiality on each specific item of confidential information covered  
15 by the notice.

16 C. The governmental entity shall consider the response in  
17 determining whether to publicly disclose any confidential information for  
18 which a justification has been submitted. Unless the governmental entity  
19 determines that there is no trade secret or other legitimate justification  
20 for the confidentiality being claimed by the respondent, the governmental  
21 entity shall not disclose any confidential information for which a  
22 justification has been timely submitted. If the governmental entity  
23 determines that there is no trade secret or other legitimate justification  
24 for all or a portion of the confidentiality claim, the governmental entity  
25 shall issue a written decision that sets forth the reasons for making that  
26 determination. The governmental entity shall deliver a copy of the  
27 decision to the person or entity submitting the confidential information  
28 and the person requesting public disclosure of the confidential  
29 information.

30 D. Notwithstanding a determination that there is no legitimate  
31 justification for a claim of confidentiality, and to allow the person or  
32 entity that submitted the confidential information to seek direct judicial  
33 intervention to prevent its release, the governmental entity shall not  
34 publicly disclose confidential information submitted to the governmental  
35 entity pursuant to this section for at least fifteen working days after  
36 the date on which the governmental entity has issued and disclosed the  
37 written determination pursuant to this section.

38 E. If any legal or administrative action is filed with any court or  
39 other agency seeking to force disclosure of any confidential information,  
40 the governmental entity, within five working days ~~of~~ AFTER being served  
41 with the action, shall notify in writing the person or entity that  
42 submitted the confidential information of the action to allow the person  
43 or entity that submitted the confidential information to intervene in the  
44 action.

1 F. Confidential information shall not be classified or maintained  
2 as confidential if the governmental entity determines that the  
3 confidential information has already been made public by the submitting  
4 person or entity and advises, in writing, the person or entity that  
5 submitted the confidential information of this determination.  
6 Notwithstanding a determination that the confidential information has  
7 already been made public by the submitting person or entity, the  
8 governmental entity shall not publicly disclose the confidential  
9 information for at least five working days after the governmental entity  
10 has advised the submitting person or entity to allow the person or entity  
11 that submitted the confidential information to seek direct judicial  
12 intervention to prevent its release.

13 G. This section protects petroleum industry related confidential  
14 information submitted to a governmental entity but does not impose any  
15 requirement that information of any type from any source be submitted to  
16 any governmental entity.

17 H. If there is a statewide or regional shortage or threatened  
18 shortage of a product or service that is essential to the health, safety  
19 and welfare of the people of this state due to an abnormal market  
20 disruption resulting from any natural disaster, weather condition, act of  
21 nature, strike, civil disorder, war, national or local emergency or other  
22 extraordinary adverse circumstance, the governor may proclaim that a  
23 supply emergency exists. If a supply emergency is declared pursuant to  
24 this subsection and a majority of the persons or entities that are the  
25 subject of the supply emergency has provided information to the  
26 governmental entity, the governmental entity may only disclose the  
27 unattributable aggregated total of all sources of confidential  
28 information.

29 I. For the purposes of this section:

30 1. "Confidential information" means all of the following:

31 (a) The information is not and has not been reasonably obtainable  
32 by legitimate means by other persons without the consent of the person OR  
33 ENTITY providing the information, other than by governmental entities and  
34 other than in discovery based on a showing of a special need in a judicial  
35 or quasi-judicial proceeding.

36 (b) A statute does not specifically require disclosure of the  
37 information to the public.

38 (c) The person OR ENTITY has satisfactorily shown that disclosing  
39 the information is likely to cause substantial harm to the competitive  
40 position of the person OR ENTITY providing the information.

41 2. "Governmental entity" means an agency, board, department or  
42 commission of this state, the state legislature and all MEMBERS, agencies  
43 or committees of the state legislature AND THEIR AGENTS but does not  
44 include the courts of this state.

1           3. "Publicly disclose" means to reveal the contents of information  
2 that has been classified as confidential to any third person or entity  
3 that is not bound by this section.

4           Sec. 6. Title 49, chapter 3, article 2, Arizona Revised Statutes,  
5 is amended by adding section 49-468, to read:

6           49-468. Air emissions model; gasoline formulations;  
7           definitions

8           A. WITHIN ONE HUNDRED TWENTY DAYS AFTER ANY OF THE FOLLOWING  
9 EVENTS, THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, IN  
10 CONSULTATION WITH THE ASSOCIATE DIRECTOR OF THE WEIGHTS AND MEASURES  
11 SERVICES DIVISION OF THE ARIZONA DEPARTMENT OF AGRICULTURE, FOR EACH  
12 SEASONAL PERIOD IN AREA A AND AREA C, SHALL EVALUATE USING THE MOST RECENT  
13 AIR EMISSIONS MODEL APPROVED BY THE UNITED STATES ENVIRONMENTAL PROTECTION  
14 AGENCY ALL RELEVANT GASOLINE OR GASOLINE BLENDS THAT, AS OF THE DATE OF  
15 THE EVALUATION, HAVE NOT BEEN EVALUATED BY THE DIRECTOR OF THE DEPARTMENT  
16 OF ENVIRONMENTAL QUALITY USING THE MOST RECENT AIR EMISSIONS MODEL  
17 APPROVED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

18           1. THE ADOPTION OF A NEW FEDERAL GASOLINE STANDARD OR FUEL  
19 FORMULATION OF NATIONAL APPLICABILITY BY THE UNITED STATES ENVIRONMENTAL  
20 PROTECTION AGENCY.

21           2. THE APPROVAL OF A NEW AIR EMISSIONS MODEL BY THE UNITED STATES  
22 ENVIRONMENTAL PROTECTION AGENCY.

23           3. THE ADOPTION OF A NEW FEDERAL AIR QUALITY STANDARD OR  
24 NONATTAINMENT LEVEL BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
25 THAT IMPACTS AREA A OR AREA C.

26           4. THE RECEIPT OF A WRITTEN REQUEST FROM A REGISTERED SUPPLIER OR  
27 OXYGENATE BLENDER, AS DEFINED BY RULES ADOPTED BY THE WEIGHTS AND MEASURES  
28 SERVICES DIVISION OF THE ARIZONA DEPARTMENT OF AGRICULTURE, SUBMITTED  
29 PURSUANT TO SUBSECTION C OF THIS SECTION, OR A WRITTEN REQUEST FROM THE  
30 ASSOCIATE DIRECTOR OF THE WEIGHTS AND MEASURES SERVICES DIVISION OF THE  
31 ARIZONA DEPARTMENT OF AGRICULTURE.

32           B. AFTER EVALUATING THE AIR EMISSIONS MODEL REQUIRED PURSUANT TO  
33 SUBSECTION A OF THIS SECTION, IF THE DIRECTOR FINDS THAT ANY GASOLINE OR  
34 GASOLINE BLEND THAT IS NOT AUTHORIZED FOR SALE OR USE IN AREA A OR AREA C  
35 OF THIS STATE DURING ANY SEASONAL TIME PERIOD MAY BE ELIGIBLE FOR APPROVAL  
36 BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO BE SOLD OR USED IN  
37 ONE OR MORE AREA DURING ONE OR MORE OF THE RELEVANT TIME PERIODS, THE  
38 DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL NOTIFY THE  
39 ASSOCIATE DIRECTOR OF THE WEIGHTS AND MEASURES SERVICES DIVISION OF THE  
40 ARIZONA DEPARTMENT OF AGRICULTURE OF THE DIRECTOR'S FINDINGS.

41           C. THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL  
42 ADOPT RULES PRESCRIBING THE APPLICATION FORM AND MINIMUM INFORMATION THAT  
43 MUST BE PROVIDED IN ORDER FOR A REGISTERED SUPPLIER OR OXYGENATE BLENDER,  
44 AS DEFINED BY RULES ADOPTED BY THE WEIGHTS AND MEASURES SERVICES DIVISION

1 OF THE ARIZONA DEPARTMENT OF AGRICULTURE, TO REQUEST THE DIRECTOR MODEL A  
2 GASOLINE OR GASOLINE BLEND PURSUANT TO SUBSECTION A, PARAGRAPH 4 OF THIS  
3 SECTION. THE RULES ADOPTED PURSUANT TO THIS SUBSECTION SHALL REQUIRE A  
4 REGISTERED SUPPLIER OR OXYGENATE BLENDER THAT SUBMITS A WRITTEN REQUEST TO  
5 THE DIRECTOR PURSUANT TO THIS SECTION TO DO ALL OF THE FOLLOWING:

6 1. IDENTIFY THE SPECIFIC GASOLINE OR GASOLINE BLENDS THAT THE  
7 REGISTERED SUPPLIER OR OXYGENATE BLENDER IS REQUESTING THE DIRECTOR TO  
8 MODEL.

9 2. DEMONSTRATE A BONA FIDE INTEREST IN SUPPLYING OR PRODUCING THE  
10 GASOLINE OR GASOLINE BLENDS FOR SALE OR USE IN AREA A OR AREA C THAT THE  
11 REGISTERED SUPPLIER OR OXYGENATE BLENDER IS REQUESTING THE DIRECTOR TO  
12 MODEL.

13 3. PROVIDE NOTICE AND A COPY OF THE WRITTEN REQUEST TO THE  
14 ASSOCIATE DIRECTOR OF THE WEIGHTS AND MEASURES SERVICES DIVISION OF THE  
15 ARIZONA DEPARTMENT OF AGRICULTURE.

16 D. FOR THE PURPOSES OF THIS SECTION, "AREA A" AND "AREA C" HAVE THE  
17 SAME MEANINGS PRESCRIBED IN SECTION 49-541.

18 Sec. 7. Weights and measures services division; capacity and  
19 supply task force; study; membership; report;  
20 delayed repeal

21 A. Subject to legislative appropriation during the fifty-sixth  
22 legislature, second regular session, within ninety days after the  
23 effective date of this act, the associate director of the weights and  
24 measures services division of the Arizona department of agriculture, in  
25 consultation with the director of the department of environmental quality,  
26 shall establish a task force as prescribed by this section to study and  
27 issue a report on critical fuel supply and capacity issues and  
28 opportunities in this state as set forth in this section.

29 B. The task force shall study all of the following issues:

30 1. Fuel supply and capacity constraints.

31 2. Pipeline and transportation capacity.

32 3. Fuel storage and strategic reserves.

33 4. Refinery maintenance and outages.

34 5. Capital investments and requirements.

35 6. Proposed or adopted energy policies in neighboring states.

36 7. Processes for modeling and adopting new fuel formulations.

37 8. Opportunities to update or modernize existing statutes or rules.

38 9. Ability to commingle blends while maintaining compliance and  
39 enforcement.

40 10. Ensuring federal air quality standards reflect state, local,  
41 and international conditions.

42 11. Any other issues the task force deems relevant to its goal.

43 C. Members of the task force shall include representatives from  
44 each of the following groups:

- 1           1. Fuel producers and refiners.
- 2           2. Fuel sellers and marketers.
- 3           3. Fuel suppliers and transporters.
- 4           4. Pipeline operators.
- 5           5. Terminal operators.
- 6           6. Relevant multistate trade associations.
- 7           7. Relevant local trade associations.
- 8           8. A majority and minority member of the relevant standing
- 9 committee of the house of representatives who are appointed by the speaker
- 10 of the house of representatives.
- 11           9. Any other members of the house of representatives who the
- 12 speaker of the house of representatives appoints.
- 13           10. A majority and minority member of the relevant standing
- 14 committee of the senate who are appointed by the president of the senate.
- 15           11. Any other members of the senate who the president of the senate
- 16 appoints.
- 17           12. At least one employee of the governor's office who is appointed
- 18 by the governor.
- 19           D. The members of the task force shall meet as often as the
- 20 associate director of the weights and measures services division of the
- 21 Arizona department of agriculture deems necessary to conduct and complete
- 22 the study.
- 23           E. Not later than December 31, 2025, the associate director of the
- 24 weights and measures services division of the Arizona department of
- 25 agriculture, in consultation with the director of the department of
- 26 environmental quality, shall submit a written report of the task force's
- 27 findings and recommendations to the governor, president of the senate and
- 28 speaker of the house of representatives and provide a copy of this report
- 29 to the secretary of state.
- 30           F. This section is repealed from and after September 30, 2026.
- 31           Sec. 8. Weights and measures services division; air emissions
- 32 modeling; coordination; report; delayed repeal
- 33           A. Subject to legislative appropriation during the fifty-sixth
- 34 legislature, second regular session, within one hundred twenty days after
- 35 the effective date of this act, the director of the department of
- 36 environmental quality, in consultation with the associate director of the
- 37 weights and measures services division of the Arizona department of
- 38 agriculture, for each seasonal time period in area A and area C as defined
- 39 in section 49-541, Arizona Revised Statutes, shall evaluate using the most
- 40 recent air emissions model approved by the United States environmental
- 41 protection agency each of the following gasoline blends:
- 42           1. Federal phase II reformulated gasoline, as provided in 40 Code
- 43 of Federal Regulations sections 1090.200 through 1090.295, in effect on
- 44 December 4, 2020, as modified to meet, for each relevant time period, the

1 maximum vapor pressure requirements in section 3-3433, subsections D and  
2 F, Arizona Revised Statutes, and the minimum oxygen content or percentage  
3 requirements prescribed in section 3-3492, Arizona Revised Statutes.

4 2. California phase 3 reformulated gasoline, as adopted by the  
5 California air resources board pursuant to California Code of Regulations  
6 title 13, sections 2261 through 2262.7 and 2265, in effect on February 16,  
7 2014, as modified to meet, for each relevant time period, the minimum  
8 oxygen content or percentage requirements prescribed in section 3-3492,  
9 Arizona Revised Statutes.

10 3. Federal conventional gasoline, as modified to meet, for each  
11 relevant time period, the maximum vapor pressure requirements in section  
12 3-3433, subsections D and F, Arizona Revised Statutes, and the minimum  
13 oxygen content or percentage requirements prescribed in section 3-3492,  
14 Arizona Revised Statutes.

15 4. Federal conventional gasoline or gasoline that meets the  
16 standards for ASTM D4814 class and the maximum vapor pressure requirements  
17 in section 3-3433, subsection D, Arizona Revised Statutes.

18 5. On the effective date of this act, all gasoline or gasoline  
19 blends that are approved for sale or use in petroleum administration of  
20 defense district five and that have not been approved for sale or use in  
21 area A or area C as defined in section 49-541, Arizona Revised Statutes,  
22 during any seasonal period and that have not been evaluated by the  
23 director of the department of environmental quality using the most recent  
24 air emissions model approved by the United States environmental protection  
25 agency.

26 B. If after completing the air emissions modeling required pursuant  
27 to subsection A of this section the director of the department of  
28 environmental quality finds that any gasoline or gasoline blend that is  
29 not authorized for sale or use in area A or area C as defined in section  
30 49-541, Arizona Revised Statutes, during any seasonal time period may be  
31 eligible for approval by the United States environmental protection agency  
32 to be sold or used in one or more of such areas during one or more of such  
33 time periods, the director of the department of environmental quality  
34 shall notify the associate director of the weights and measures services  
35 division of the Arizona department of agriculture of the director's  
36 findings.

37 C. On receipt of written notification pursuant to subsection B of  
38 this section, the associate director of the weights and measures services  
39 division of the Arizona department of agriculture, in consultation with  
40 registered suppliers and oxygenate blenders, that may be likely to supply  
41 or produce such a blend for this state, shall conduct a study to evaluate  
42 the feasibility of authorizing or obtaining such a blend for sale or use  
43 in this state, including the impact on the state's transportation fuel

1 supply and the availability of transportation or supply capacity to  
2 provide such a blend.

3 D. Within one hundred twenty days after completing the air  
4 emissions modeling required by subsection A of this section and the  
5 feasibility study required by subsection C of this section, the associate  
6 director of the weights and measures services division of the Arizona  
7 department of agriculture, in consultation with the director of the  
8 department of environmental quality, shall prepare and submit to the  
9 governor, president of the senate and speaker of the house of  
10 representatives a written report containing all of the following:

11 1. The findings of the air emissions modeling completed pursuant to  
12 subsection A of this section.

13 2. The results of the feasibility study completed pursuant to  
14 subsection C of this section.

15 3. Recommended legislation based on the findings and results  
16 provided pursuant to paragraphs 1 and 2 of this subsection.

17 E. This section is repealed from and after September 30, 2026.

18 Sec. 9. Conditional enactment

19 Section 3-3493, Arizona Revised Statutes, as amended by Laws 2017,  
20 chapter 295, section 2 and this act, becomes effective on the date  
21 prescribed by Laws 2017, chapter 295, section 3, as amended by Laws 2022,  
22 chapter 177, section 12 and Laws 2024, chapter 70, section 1, but only on  
23 the occurrence of the condition prescribed by Laws 2017, chapter 295,  
24 section 3, as amended by Laws 2022, chapter 177, section 12 and Laws 2024,  
25 chapter 70, section 1.