

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1064

(Reference to the proposed Dunn s/e amendment dated 3/15/24; 4:32 p.m.)

1 Page 1, between lines 1 and 2, insert:

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

1 shall also meet the maximum vapor pressure requirements in section 3-3433,
2 subsections D and F.

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

18 C. Any registered supplier or oxygenate blender, as defined in
19 division rules, may petition the associate director to request that all
20 registered suppliers or oxygenate blenders be allowed to comply with
21 standards other than the standards prescribed by THIS SECTION OR section
22 3-3492, subsection A if the petitioner can demonstrate THAT A REGISTERED
23 SUPPLIER'S OR OXYGENATE BLENDER'S ABILITY TO SUPPLY ethanol ~~supply~~
24 ~~shortages are~~ OR GASOLINE THAT MEETS THE SPECIFICATIONS PRESCRIBED BY
25 SUBSECTION A OR B OF THIS SECTION IS IN imminent DANGER AND MAY RESULT IN
26 SUPPLY SHORTAGES OF ETHANOL OR GASOLINE IN AREA A. IF A REGISTERED
27 SUPPLIER OR OXYGENATE BLENDER SUBMITS A PETITION PURSUANT TO THIS
28 SUBSECTION, THE REGISTERED SUPPLIER OR OXYGENATE BLENDER SHALL PROVIDE
29 NOTICE AND A COPY OF THE PETITION TO THE PRESIDENT OF THE SENATE AND THE
30 SPEAKER OF THE HOUSE OF REPRESENTATIVES. FOR THE PURPOSES OF THIS
31 SUBSECTION, ALL OF THE FOLLOWING ARE EXEMPT FROM THE PROVISIONS OF TITLE
32 39, CHAPTER 1 AND SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 44-1374:

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

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

5 D. The petition shall:

6 ~~1. Identify specific supply conditions that will result in a~~
7 ~~shortage of ethanol.~~

8 1. FOR OXYGENATE SHORTAGES:

9 ~~2.~~ (a) Identify which oxygenate or oxygenates and the concentration
10 that will be blended into gasoline BY A REGISTERED SUPPLIER OR OXYGENATE
11 BLENDER, AS DEFINED IN DIVISION RULES, for sale or use in area A.

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

17 2. FOR GASOLINE SHORTAGES, IDENTIFY THE FORMULATION OF GASOLINE THAT
18 THE PETITIONER OR REGISTERED SUPPLIER OR OXYGENATE BLENDER, AS DEFINED IN
19 DIVISION RULES, WILL SELL IN LIEU OF GASOLINE THAT MEETS THE STANDARDS
20 PRESCRIBED IN SUBSECTION A OR B OF THIS SECTION.

21 ~~4.~~ 3. Specify a PROJECTED time period for compliance with any
22 provision of THIS SECTION OR section 3-3492, subsection A, not to exceed
23 sixty days.

24 E. The associate director shall either grant or deny the petition in
25 writing within seven days of its receipt, SUBJECT TO APPROVAL BY THE UNITED
26 STATES ENVIRONMENTAL PROTECTION AGENCY. Any decision by the associate
27 director to grant the petition shall be equally applicable to all
28 registered suppliers or oxygenate blenders and shall not be selectively
29 applied to any single registered supplier or oxygenate blender. The
30 petition may be granted only if the associate director verifies that the
31 basis for requesting the petition is factual AND THE UNITED STATES
32 ENVIRONMENTAL PROTECTION AGENCY CONCURS WITH THE BASIS. ANY DECISION BY

1 THE ASSOCIATE DIRECTOR TO GRANT A PETITION IS SUBJECT TO UNITED STATES
2 ENVIRONMENTAL PROTECTION AGENCY APPROVAL.

3 F. The associate director may reauthorize a petition if the
4 petitioner can demonstrate that the conditions have continued. The
5 reauthorization of a petition shall not exceed thirty days.

6 G. The associate director of the division shall consult with the
7 director of the department of environmental quality AND THE UNITED STATES
8 ENVIRONMENTAL PROTECTION AGENCY before granting, reauthorizing or denying
9 any such petition.

10 H. The ASSOCIATE director of ~~environmental quality~~ THE DIVISION, in
11 consultation with the ~~associate~~ director of the ~~division~~ DEPARTMENT OF
12 ENVIRONMENTAL QUALITY, shall adopt by rule:

13 1. Requirements to implement subsections A, B, C and D of this
14 section.

15 2. Requirements for recordkeeping, reporting and analytical methods
16 for fuel providers to demonstrate compliance with subsections A, B, C and D
17 of this section.

18 I. This section does not apply to fuel sold for use at a motor
19 vehicle manufacturer proving ground or at a motor vehicle racing event.

20 Sec. 2. Section 3-3493, Arizona Revised Statutes, as amended by Laws
21 2017, chapter 295, section 2, is amended to read:

22 3-3493. Area A; fuel reformulation; rules

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

31 1. A gasoline that meets standards for federal phase II reformulated
32 gasoline, as provided in 40 Code of Federal Regulations section 80.41,

1 paragraphs (e) through (h), in effect on January 1, 1999, except that the
2 minimum oxygen content standard does not apply. The gasoline shall also
3 meet the maximum vapor pressure requirements in section 3-3433, subsections
4 D and F.

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

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

27 C. Any registered supplier or oxygenate blender, as defined in
28 division rules, may petition the associate director to request that all
29 registered suppliers or oxygenate blenders be allowed to comply with
30 standards other than the standards prescribed by THIS SECTION OR section
31 3-3492, subsection A if the petitioner can demonstrate that A REGISTERED
32 SUPPLIER'S OR OXYGENATE BLENDER'S ABILITY TO SUPPLY ethanol supply

1 ~~shortages are~~ OR GASOLINE THAT MEETS THE SPECIFICATION AS PRESCRIBED BY
2 SUBSECTION A OR B OF THIS SECTION IS IN imminent DANGER AND MAY RESULT IN
3 SUPPLY SHORTAGES OF ETHANOL OR GASOLINE IN AREA A. IF A REGISTERED
4 SUPPLIER OR OXYGENATE BLENDER SUBMITS A PETITION PURSUANT TO THIS
5 SUBSECTION, THE REGISTERED SUPPLIER OR OXYGENATE BLENDER SHALL PROVIDE
6 NOTICE AND A COPY OF THE PETITION TO THE PRESIDENT OF THE SENATE AND THE
7 SPEAKER OF THE HOUSE OF REPRESENTATIVES. FOR THE PURPOSES OF THIS
8 SUBSECTION, ALL OF THE FOLLOWING ARE EXEMPT FROM THE PROVISIONS OF TITLE
9 39, CHAPTER 1 AND SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 44-1374:

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

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

14 D. The petition shall:

15 ~~1. Identify specific supply conditions that will result in a~~
16 ~~shortage of ethanol.~~

17 1. FOR OXYGENATE SHORTAGES:

18 ~~2.~~ (a) Identify which oxygenate or oxygenates and the concentration
19 that will be blended into gasoline BY A REGISTERED SUPPLIER OR OXYGENATE
20 BLENDER, AS DEFINED IN DIVISION RULES, for sale or use in area A.

21 ~~3.~~ (b) Demonstrate that the alternative oxygenate blend comes
22 closest to meeting a three and one-half percent by weight oxygen content ~~at~~
23 ~~reasonable cost~~, unless the registered supplier or oxygenate blender is
24 petitioning to use a gasoline-ethanol blend containing less than ten
25 percent by volume of ethanol.

26 2. FOR GASOLINE SHORTAGES, IDENTIFY THE FORMULATION OF GASOLINE THAT
27 THE PETITIONER OR REGISTERED SUPPLIER OR OXYGENATE BLENDER, AS DEFINED IN
28 DIVISION RULES, WILL SELL IN LIEU OF GASOLINE THAT MEETS THE STANDARDS
29 PRESCRIBED IN SUBSECTION A OR B OF THIS SECTION.

30 ~~4.~~ 3. Specify a PROJECTED time period for compliance with any
31 provision of THIS SECTION OR section 3-3492, subsection A, not to exceed
32 sixty days.

1 E. The associate director shall either grant or deny the petition in
2 writing within seven days of its receipt, **SUBJECT TO APPROVAL BY THE UNITED**
3 **STATES ENVIRONMENTAL PROTECTION AGENCY**. Any decision by the associate
4 director to grant the petition shall be equally applicable to all
5 registered suppliers or oxygenate blenders and shall not be selectively
6 applied to any single registered supplier or oxygenate blender. The
7 petition may be granted only if the associate director verifies that the
8 basis for requesting the petition is factual **AND THE UNITED STATES**
9 **ENVIRONMENTAL PROTECTION AGENCY CONCURS WITH THE BASIS. ANY DECISION BY**
10 **THE ASSOCIATE DIRECTOR TO GRANT A PETITION IS SUBJECT TO UNITED STATES**
11 **ENVIRONMENTAL PROTECTION AGENCY APPROVAL.**

12 F. The associate director may reauthorize a petition if the
13 petitioner can demonstrate that the conditions have continued. The
14 reauthorization of a petition shall not exceed thirty days.

15 G. The associate director of the division shall consult with the
16 director of the department of environmental quality **AND THE UNITED STATES**
17 **ENVIRONMENTAL PROTECTION AGENCY** before granting, reauthorizing or denying
18 any such petition.

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

22 1. Requirements to implement subsections A, B, C and D of this
23 section.

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

27 I. This section does not apply to fuel sold for use at a motor
28 vehicle manufacturer proving ground or at a motor vehicle racing event.

1 Sec. 3. Section 3-3494, Arizona Revised Statutes, is amended to
2 read:

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

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

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

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

21 B. Any registered supplier or oxygenate blender, as defined in
22 division rules, may petition the associate director to request that all
23 registered suppliers or oxygenate blenders be allowed to supply gasoline in
24 area C that does not meet the standards in subsection A of this section if
25 the petitioner demonstrates that a ~~shortage in the~~ REGISTERED SUPPLIER'S OR
26 OXYGENATE BLENDER'S ABILITY TO supply ~~of~~ gasoline ~~meeting~~ THAT MEETS the
27 standards PRESCRIBED in subsection A of this section is IN imminent DANGER
28 AND MAY RESULT IN SUPPLY SHORTAGES OF ETHANOL OR GASOLINE IN AREA C. IF A
29 REGISTERED SUPPLIER OR OXYGENATE BLENDER SUBMITS A PETITION PURSUANT TO
30 THIS SUBSECTION, THE REGISTERED SUPPLIER OR OXYGENATE BLENDER SHALL PROVIDE
31 NOTICE AND A COPY OF THE PETITION TO THE PRESIDENT OF THE SENATE AND THE
32 SPEAKER OF THE HOUSE OF REPRESENTATIVES. FOR THE PURPOSES OF THIS

1 SUBSECTION, ALL OF THE FOLLOWING ARE EXEMPT FROM THE PROVISIONS OF TITLE
2 39, CHAPTER 1 AND SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 44-1374:

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

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

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

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

10 ~~2.~~ 1. Identify the formulation of gasoline THE PETITIONER OR
11 REGISTERED SUPPLIER OR OXYGENATE BLENDER, AS DEFINED IN DIVISION RULES,
12 that will be sold SELL in area C in lieu of gasoline meeting the standards
13 PRESCRIBED in subsection A of this section.

14 ~~3.~~ 2. Specify a PROJECTED time period for compliance with the
15 standards of subsection A of this section not to exceed sixty days.

16 D. The associate director shall either grant or deny a petition
17 under subsection B of this section in writing within seven days of its
18 receipt, SUBJECT TO APPROVAL BY THE UNITED STATES ENVIRONMENTAL PROTECTION
19 AGENCY. Any decision by the associate director to grant the petition shall
20 be equally applicable to all registered suppliers or oxygenate blenders and
21 shall not be selectively applied to any single registered supplier or
22 oxygenate blender. The petition may be granted only if the associate
23 director verifies that the basis for requesting the petition is factual AND
24 THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY CONCURS WITH THE BASIS.
25 ANY DECISION BY THE ASSOCIATE DIRECTOR TO GRANT A PETITION IS SUBJECT TO
26 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY APPROVAL.

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

31 F. The associate director of the division shall consult with the
32 director of the department of environmental quality AND THE UNITED STATES

1 ENVIRONMENTAL PROTECTION AGENCY before granting, reauthorizing or denying
2 any petition under subsection B of this section.

3 G. The associate director OF THE DIVISION, in consultation with the
4 director of the department of environmental quality, shall adopt by rule:

5 1. Requirements to implement subsections A, B and C of this section.

6 2. Requirements for recordkeeping, reporting and analytical methods
7 for fuel providers to demonstrate compliance with subsection A of this
8 section.

9 H. This section does not apply to fuel sold for use at a motor
10 vehicle manufacturer proving ground or at a motor vehicle racing event.

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

13 3-3499. Fuel reformulations; federally approved blends; air
14 emissions modeling evaluation; feasibility study;
15 report

16 A. WITHIN ONE HUNDRED TWENTY DAYS AFTER ANY OF THE FOLLOWING EVENTS,
17 THE ASSOCIATE DIRECTOR OF THE DIVISION, IN CONSULTATION WITH THE DIRECTOR
18 OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, FOR EACH SEASONAL PERIOD IN
19 AREA A, AREA B AND AREA C, SHALL EVALUATE THE MOST RECENT AIR EMISSIONS
20 MODEL APPROVED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY ALL
21 GASOLINE OR GASOLINE BLENDS THAT, AS OF THE DATE OF THE EVALUATION, HAVE
22 BEEN APPROVED FOR SALE OR USE IN PETROLEUM ADMINISTRATION FOR DEFENSE
23 DISTRICT FIVE AND THAT HAVE NOT BEEN EVALUATED BY THE DIVISION THROUGH THE
24 MOST RECENT AIR EMISSIONS MODEL APPROVED BY THE UNITED STATES ENVIRONMENTAL
25 PROTECTION AGENCY:

26 1. THE APPROVAL OF A NEW GASOLINE OR GASOLINE BLEND FOR SALE OR USE
27 IN PETROLEUM ADMINISTRATION FOR DEFENSE DISTRICT FIVE.

28 2. THE ADOPTION OF A NEW FEDERAL GASOLINE STANDARD OR FUEL
29 FORMULATION OF NATIONAL APPLICABILITY BY THE UNITED STATES ENVIRONMENTAL
30 PROTECTION AGENCY.

31 3. THE APPROVAL OF A NEW AIR EMISSIONS MODEL BY THE UNITED STATES
32 ENVIRONMENTAL PROTECTION AGENCY.

1 B. AFTER EVALUATING THE AIR EMISSIONS MODEL REQUIRED BY SUBSECTION A
2 OF THIS SECTION, IF THE ASSOCIATE DIRECTOR FINDS THAT ANY GASOLINE OR
3 GASOLINE BLEND THAT IS NOT AUTHORIZED FOR SALE OR USE IN AREA A, AREA B OR
4 AREA C OF THIS STATE DURING ANY SEASONAL TIME PERIOD MAY BE ELIGIBLE FOR
5 APPROVAL BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO BE SOLD OR
6 USED IN ONE OR MORE AREA DURING ONE OR MORE OF THE RELEVANT TIME PERIODS,
7 THE ASSOCIATE DIRECTOR, IN CONSULTATION WITH REGISTERED SUPPLIERS AND
8 OXYGENATE BLENDERS, AS DEFINED IN DIVISION RULE, THAT MAY BE LIKELY TO
9 SUPPLY OR PRODUCE SUCH A BLEND FOR THIS STATE, SHALL CONDUCT A STUDY TO
10 EVALUATE THE FEASIBILITY OF AUTHORIZING OR OBTAINING A NEW BLEND FOR SALE
11 OR USE IN THIS STATE, INCLUDING THE IMPACT ON THE STATE'S TRANSPORTATION
12 FUEL SUPPLY AND THE AVAILABILITY OF TRANSPORTATION OR SUPPLY CAPACITY TO
13 PROVIDE THE NEW BLEND.

14 C. WITHIN ONE HUNDRED TWENTY DAYS AFTER EVALUATING THE AIR EMISSIONS
15 MODEL REQUIRED BY SUBSECTION A OF THIS SECTION AND THE FEASIBILITY STUDY
16 REQUIRED BY SUBSECTION B OF THIS SECTION, THE ASSOCIATE DIRECTOR OF THE
17 DIVISION, IN CONSULTATION WITH THE DIRECTOR OF THE DEPARTMENT OF
18 ENVIRONMENTAL QUALITY, SHALL PREPARE AND SUBMIT TO THE GOVERNOR, PRESIDENT
19 OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES A WRITTEN REPORT
20 OF THE FOLLOWING INFORMATION:

21 1. THE FINDINGS OF THE AIR EMISSIONS MODEL EVALUATED PURSUANT TO
22 SUBSECTION A OF THIS SECTION.

23 2. THE RESULTS OF THE FEASIBILITY STUDY COMPLETED PURSUANT TO
24 SUBSECTION B OF THIS SECTION.

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

27 3-3500. Approved gasoline formulations; posting requirement

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

1 entity shall not disclose any confidential information for which a
2 justification has been timely submitted. If the governmental entity
3 determines that there is no trade secret or other legitimate justification
4 for all or a portion of the confidentiality claim, the governmental entity
5 shall issue a written decision that sets forth the reasons for making that
6 determination. The governmental entity shall deliver a copy of the
7 decision to the person or entity submitting the confidential information
8 and the person requesting public disclosure of the confidential
9 information.

10 D. Notwithstanding a determination that there is no legitimate
11 justification for a claim of confidentiality, and to allow the person or
12 entity that submitted the confidential information to seek direct judicial
13 intervention to prevent its release, the governmental entity shall not
14 publicly disclose confidential information submitted to the governmental
15 entity pursuant to this section for at least fifteen working days after the
16 date on which the governmental entity has issued and disclosed the written
17 determination pursuant to this section.

18 E. If any legal or administrative action is filed with any court or
19 other agency seeking to force disclosure of any confidential information,
20 the governmental entity, within five working days ~~of~~ AFTER being served
21 with the action, shall notify in writing the person or entity that
22 submitted the confidential information of the action to allow the person or
23 entity that submitted the confidential information to intervene in the
24 action.

25 F. Confidential information shall not be classified or maintained as
26 confidential if the governmental entity determines that the confidential
27 information has already been made public by the submitting person or entity
28 and advises, in writing, the person or entity that submitted the
29 confidential information of this determination. Notwithstanding a
30 determination that the confidential information has already been made
31 public by the submitting person or entity, the governmental entity shall
32 not publicly disclose the confidential information for at least five

1 working days after the governmental entity has advised the submitting
2 person or entity to allow the person or entity that submitted the
3 confidential information to seek direct judicial intervention to prevent
4 its release.

5 G. This section protects petroleum industry related confidential
6 information submitted to a governmental entity but does not impose any
7 requirement that information of any type from any source be submitted to
8 any governmental entity.

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

20 I. For the purposes of this section:

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

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

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

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

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

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

8 Renumber to conform

9 Page 1, between lines 14 and 15, insert:

10 "Sec. 7. Weights and measures services division; capacity and
11 supply task force; study; membership; report;
12 delayed repeal

13 A. Within ninety days after the effective date of this act, the
14 associate director of the weights and measures services division of the
15 Arizona department of agriculture, in consultation with the director of the
16 department of environmental quality, shall establish a task force as
17 prescribed by this section to study and issue a report on critical fuel
18 supply and capacity issues and opportunities in this state as set forth in
19 this section.

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

- 21 1. Fuel supply and capacity constraints.
- 22 2. Pipeline and transportation capacity.
- 23 3. Fuel storage and strategic reserves.
- 24 4. Refinery maintenance and outages.
- 25 5. Capital investments and requirements.
- 26 6. Proposed or adopted energy policies in neighboring states.
- 27 7. Processes for modeling and adopting new fuel formulations.
- 28 8. Any other issues the task force deems relevant to its goal.

29 C. Members of the task force shall include representatives from each
30 of the following groups:

- 31 1. Fuel producers and refiners.
- 32 2. Fuel sellers and marketers.

1 1. Federal phase II reformulated gasoline, as provided in 40 Code of
2 Federal Regulations sections 1090.200 through 1090.295, in effect on
3 December 4, 2020, as modified to meet, for each relevant time period, the
4 maximum vapor pressure requirements in section 3-3433, subsections D and F,
5 Arizona Revised Statutes, and the minimum oxygen content or percentage
6 requirements prescribed in section 3-3492, Arizona Revised Statutes.

7 2. California phase 3 reformulated gasoline, as adopted by the
8 California air resources board pursuant to California Code of Regulations
9 title 13, sections 2261 through 2262.7 and 2265, in effect on February 16,
10 2014, as modified to meet, for each relevant time period, the maximum vapor
11 pressure requirements in section 3-3433, subsections D and F, Arizona
12 Revised Statutes, and the minimum oxygen content or percentage requirements
13 prescribed in section 3-3492, Arizona Revised Statutes.

14 3. Federal conventional gasoline, as modified to meet, for each
15 relevant time period, the maximum vapor pressure requirements in section
16 3-3433, subsections D and F, Arizona Revised Statutes, and the minimum
17 oxygen content or percentage requirements prescribed in section 3-3492,
18 Arizona Revised Statutes.

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

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

1 in consultation with registered suppliers and oxygenate blenders, that may
2 be likely to supply or produce such a blend for this state, shall conduct a
3 study to evaluate the feasibility of authorizing or obtaining such a blend
4 for sale or use in this state, including the impact on the state's
5 transportation fuel supply and the availability of transportation or supply
6 capacity to provide such a blend.

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

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

17 2. The results of the feasibility study completed pursuant to
18 subsection B of this section.

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

21 D. This section is repealed from and after September 30, 2026.

22 Sec. 9. Laws 2017, chapter 295, section 3, as amended by Laws 2022,
23 chapter 177, section 12, is amended to read:

24 Sec. 3. Conditional enactment; notice

25 A. Section 3-3493, Arizona Revised Statutes, as amended by Laws
26 2017, chapter 295, section 2, does not become effective unless on or before
27 July 1, ~~2024~~ 2026 the United States environmental protection agency
28 approves the proposed modifications to the gasoline fuel formulation
29 requirements as part of the state implementation plan for air quality.

30 B. The director of the department of environmental quality shall
31 notify in writing the director of the Arizona legislative council on or
32 before October 1, ~~2024~~ 2026 either:

1 1. Of the date on which the condition was met.

2 2. That the condition was not met.

3 Sec. 10. Conditional enactment

4 Section 3-3493, Arizona Revised Statutes, as amended by Laws 2017,
5 chapter 295, section 2 and this act, becomes effective on the date
6 prescribed by Laws 2017, chapter 295, section 3, as amended by Laws 2022,
7 chapter 177, section 12 and this act, but only on the occurrence of the
8 condition prescribed by Laws 2017, chapter 295, section 3, as amended by
9 Laws 2022, chapter 177, section 12 and this act."

10 Amend title to conform

TIMOTHY M. DUNN

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