#### PROPOSED

#### SENATE AMENDMENTS TO H.B. 2300

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

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

# 3-3493. Area A: fuel reformulation; rules; exception

- A. All gasoline produced and shipped to or within this state and sold or offered for sale for use in motor vehicles in a county with a population of one million two hundred thousand or more persons and any portion of a county contained in area A, subject to an appropriate waiver granted by the administrator of the United States environmental protection agency pursuant to section 211(c)(4) of the clean air act as defined in section 49-401.01, shall comply with either ONE of the following fuel reformulation options:
- 1. A gasoline that meets standards for federal phase II reformulated gasoline, as provided in 40 Code of Federal Regulations section 80.41, paragraphs (e) through (h), in effect on January 1, 1999, except that the minimum oxygen content standard does not apply. The gasoline shall also meet the maximum vapor pressure requirements in section 3-3433, subsections D and F.
- 2. A GASOLINE THAT MEETS STANDARDS FOR California phase 2 reformulated gasoline, including alternative formulations allowed by the predictive model, as adopted by the California air resources board pursuant to California Code of Regulations title 13, sections 2261 through 2262.7 and 2265, in effect on January 1, 1997, except that the minimum oxygen content standard does not apply. The gasoline shall also meet the maximum vapor pressure requirements in section 3-3433, subsections D and F.

- 3. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020. THE GASOLINE SHALL ALSO MEET THE MAXIMUM VAPOR PRESSURE REQUIREMENTS IN SECTION 3-3433, SUBSECTION F. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE MINIMUM OXYGEN CONTENT OR PERCENTAGE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.
- 4. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.
- 5. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL CONVENTIONAL GASOLINE. THE GASOLINE SHALL ALSO MEET THE MAXIMUM VAPOR PRESSURE REQUIREMENTS IN SECTION 3-3433, SUBSECTION F. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE MINIMUM OXYGEN CONTENT OR PERCENTAGE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.
- 6. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.
- B. For the period beginning November 1 through March 31 of each year, all gasoline produced and shipped to or within this state and sold or offered for sale for use in motor vehicles in a county with a population of one million two hundred thousand or more persons and any portion of a county contained in area A, subject to an appropriate waiver granted by the administrator of the United States environmental protection agency pursuant to section 211(c)(4) of the clean air act as defined in section 49-401.01, shall comply with ONE OF THE FOLLOWING standards for:
- 1. California phase 2 reformulated gasoline, including alternative formulations allowed by the predictive model, as adopted by the California

- air resources board pursuant to California Code of Regulations title 13, sections 2261 through 2262.7 and 2265, in effect on January 1, 1997 and shall meet the maximum vapor pressure requirements in section 3-3433, subsections D and F. The fuel described in this subsection PARAGRAPH shall meet the requirements of section 3-3492, subsection A, paragraph 1.
- 2. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014.
- 3. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020.
- 4. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020.
- 5. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014.
- 6. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.
- C. Any registered supplier or oxygenate blender, as defined in division rules, may petition the associate director to request that all registered suppliers or oxygenate blenders be allowed to comply with standards other than the standards prescribed by section 3-3492, subsection A if the petitioner can demonstrate ethanol supply shortages are imminent.
  - D. The petition shall:

- - 2. Identify which oxygenate or oxygenates and the concentration that will be blended into gasoline for sale or use in area A.
  - 3. Demonstrate that the alternative oxygenate blend comes closest to meeting a three and one-half percent by weight oxygen content at reasonable cost, unless the registered supplier or oxygenate blender is petitioning to use a gasoline-ethanol blend containing less than ten percent by volume of ethanol.
  - 4. Specify a time period for compliance with any provision of section 3-3492, subsection A, not to exceed sixty days.
  - E. The associate director shall either grant or deny the petition in writing within seven days of its receipt. Any decision by the associate director to grant the petition shall be equally applicable to all registered suppliers or oxygenate blenders and shall not be selectively applied to any single registered supplier or oxygenate blender. The petition may be granted only if the associate director verifies that the basis for requesting the petition is factual.
  - F. The associate director may reauthorize a petition if the petitioner can demonstrate that the conditions have continued. The reauthorization of a petition shall not exceed thirty days.
  - G. The associate director of the division shall consult with the director of the department of environmental quality before granting, reauthorizing or denying any such petition.
  - H. C. The ASSOCIATE director of environmental quality THE DIVISION, in consultation with the associate director of the division DEPARTMENT OF ENVIRONMENTAL QUALITY, shall adopt by rule:
  - 1. Requirements to implement subsections  $A_{\overline{}}$  AND  $B_{\overline{}}$  C and D of this section.
  - 2. Requirements for recordkeeping, reporting and analytical methods for fuel providers to demonstrate compliance with subsections  $A_{\tau}$  AND  $B_{\tau}$  and D of this section.

- This section does not apply to fuel sold for use at a motor vehicle manufacturer proving ground or at a motor vehicle racing event.
  - Sec. 2. Section 3-3493, Arizona Revised Statutes, as amended by Laws 2017. chapter 295. section 2. is amended to read:

# 3-3493. Area A; fuel reformulation; rules; exception

- A. All gasoline produced and shipped to or within this state and sold or offered for sale for use in motor vehicles in a county with a population of one million two hundred thousand or more persons and any portion of a county contained in area A, subject to an appropriate waiver granted by the administrator of the United States environmental protection agency pursuant to section 211(c)(4) of the clean air act as defined in section 49-401.01, shall comply with either ONE of the following fuel reformulation options:
- 1. A gasoline that meets standards for federal phase II reformulated gasoline, as provided in 40 Code of Federal Regulations section 80.41, paragraphs (e) through (h), in effect on January 1, 1999, except that the minimum oxygen content standard does not apply. The gasoline shall also meet the maximum vapor pressure requirements in section 3-3433, subsections D and F.
- 2. A GASOLINE THAT MEETS STANDARDS FOR California phase 2 reformulated gasoline, including alternative formulations allowed by the predictive model, as adopted by the California air resources board pursuant to California Code of Regulations title 13, sections 2261 through 2262.7 and 2265, in effect on January 1, 1997, except that the minimum oxygen content standard does not apply. The gasoline shall also meet the maximum vapor pressure requirements in section 3-3433, subsections D and F.
- 3. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020. THE GASOLINE SHALL ALSO MEET THE MAXIMUM VAPOR PRESSURE REQUIREMENTS IN SECTION 3-3433, SUBSECTION F. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE MINIMUM OXYGEN CONTENT OR PERCENTAGE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.

- 4. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE REOUIREMENTS PRESCRIBED IN SECTION 3-3492.
- 5. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL CONVENTIONAL GASOLINE. THE GASOLINE SHALL ALSO MEET THE MAXIMUM VAPOR PRESSURE REQUIREMENTS IN SECTION 3-3433, SUBSECTION F. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE MINIMUM OXYGEN CONTENT OR PERCENTAGE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.
- 6. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.
- B. For the period beginning November 1 through March 31 of each year, all gasoline produced and shipped to or within this state and sold or offered for sale for use in motor vehicles in a county with a population of one million two hundred thousand or more persons and any portion of a county contained in area A, subject to an appropriate waiver granted by the administrator of the United States environmental protection agency pursuant to section 211(c)(4) of the clean air act as defined in section 49-401.01, shall comply with ONE OF THE FOLLOWING standards for:
- 1. California phase 2 reformulated gasoline, including alternative formulations allowed by the predictive model, as adopted by the California air resources board pursuant to California Code of Regulations title 13, sections 2261 through 2262.7 and 2265, in effect on January 1, 1997 and shall meet the maximum vapor pressure requirements in section 3-3433, subsections D and F. The fuel described in this subsection PARAGRAPH shall meet the requirements of section 3-3492, subsection A, paragraph 1 or 2.
- 2. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING

- ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014.
  - 3. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4. 2020.
  - 4. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295. IN EFFECT ON DECEMBER 4. 2020.
  - 5. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014.
  - 6. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.
  - C. Any registered supplier or oxygenate blender, as defined in division rules, may petition the associate director to request that all registered suppliers or oxygenate blenders be allowed to comply with standards other than the standards prescribed by section 3-3492, subsection A if the petitioner can demonstrate that ethanol supply shortages are imminent.
    - D. The petition shall:
  - 1. Identify specific supply conditions that will result in a shortage of ethanol.
  - 2. Identify which oxygenate or oxygenates and the concentration that will be blended into gasoline for sale or use in area A.
  - 3. Demonstrate that the alternative oxygenate blend comes closest to meeting a three and one-half percent by weight oxygen content at reasonable cost, unless the registered supplier or oxygenate blender is petitioning to

use a gasoline-ethanol blend containing less than ten percent by volume of ethanol.

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

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

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

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

- H. C. The ASSOCIATE director of environmental quality THE DIVISION, in consultation with the associate director of the division DEPARTMENT OF ENVIRONMENTAL QUALITY, shall adopt by rule:
- 1. Requirements to implement subsections  $A_{+}$  AND  $B_{+}$  C and D of this section.
- 2. Requirements for recordkeeping, reporting and analytical methods for fuel providers to demonstrate compliance with subsections A, AND B, c and c of this section.
- 1. D. This section does not apply to fuel sold for use at a motor vehicle manufacturer proving ground or at a motor vehicle racing event.
- Sec. 3. Section 3-3494, Arizona Revised Statutes, is amended to read:

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

A. From and after May 31 through September 30 of each year, all gasoline produced and shipped to or within this state and sold or offered

for sale for use in motor vehicles in area C shall comply with either ONE of the following fuel reformulation options:

- 1. A gasoline that meets standards for federal phase II reformulated gasoline, as provided in 40 Code of Federal Regulations section 80.41, paragraphs (e) through (h), in effect on January 1, 1999, except that the minimum oxygen content standard does not apply. The gasoline shall also meet the maximum vapor pressure requirements in section 3-3434, subsection D.
- 2. California phase 2 reformulated gasoline, including alternative formulations allowed by the predictive model, as adopted by the California air resources board pursuant to California Code of Regulations title 13, sections 2261 through 2262.7 and 2265, in effect on January 1, 1997, except that the minimum oxygen content standard does not apply. The gasoline shall also meet the maximum vapor pressure requirements in section 3-3434, subsection D.
- B. Any registered supplier or oxygenate blender, as defined in division rules, may petition the associate director to request that all registered suppliers or oxygenate blenders be allowed to supply gasoline in area C that does not meet the standards in subsection A of this section if the petitioner demonstrates that a shortage in the supply of gasoline meeting the standards in subsection A of this section is imminent.
  - C. A petition under subsection B of this section shall:
- 1. Identify specific supply conditions that will result in a shortage of gasoline meeting the standards in subsection A of this section.
- 2. Identify the formulation of gasoline that will be sold in area C in lieu of gasoline meeting the standards in subsection A of this section.
- 3. Specify a time period for compliance with the standards of subsection A of this section not to exceed sixty days.
- D. The associate director shall either grant or deny a petition under subsection B of this section in writing within seven days of its receipt. Any decision by the associate director to grant the petition shall be equally applicable to all registered suppliers or oxygenate blenders and shall not be selectively applied to any single registered

supplier or oxygenate blender. The petition may be granted only if the associate director verifies that the basis for requesting the petition is factual.

- E. The associate director may reauthorize a petition granted under subsection B of this section if the petitioner demonstrates that the conditions identified in the petition have continued. The reauthorization of a petition shall not exceed thirty days.
- F. The associate director of the division shall consult with the director of the department of environmental quality before granting, reauthorizing or denying any petition under subsection B of this section.
- 6. B. The associate director OF THE DIVISION, in consultation with the director of the department of environmental quality, shall adopt by rule:
- 1. Requirements to implement  $\frac{\text{subsections}}{\text{SUBSECTION}}$  SUBSECTION A, B and C of this section.
- 2. Requirements for recordkeeping, reporting and analytical methods for fuel providers to demonstrate compliance with subsection A of this section.
- H. C. This section does not apply to fuel sold for use at a motor vehicle manufacturer proving ground or at a motor vehicle racing event.
- Sec. 4. Title 3, chapter 19, article 6, Arizona Revised Statutes, is amended by adding sections 3-3499, 3-3500 and 3-3501, to read:
  - 3-3499. Motor fuel waiver requests; definition
- A. ANY PERSON MAY PETITION THE ASSOCIATE DIRECTOR TO REQUEST A WAIVER FROM THE STANDARDS FOR MOTOR FUEL PRESCRIBED BY SECTION 3-3491, 3-3492, 3-3493, 3-3494 OR 3-3495 OR FEDERAL STANDARDS ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY PURSUANT TO THE CLEAN AIR ACT.
- B. A PETITION FOR A MOTOR FUEL WAIVER REQUEST PURSUANT TO SUBSECTION A OF THIS SECTION SHALL DO ALL OF THE FOLLOWING:
- 1. IDENTIFY THE SPECIFIC SUPPLY CONDITIONS THAT WILL RESULT IN A SHORTAGE OF MOTOR FUEL TO MEET THE APPLICABLE STANDARD.

- 2. IDENTIFY THE GEOGRAPHIC AREA AND MOTOR FUEL STANDARDS FOR WHICH
   THE POTENTIAL SHORTAGE EXISTS.
  - 3. IDENTIFY THE ALTERNATIVE MOTOR FUEL FORMULATIONS THAT WILL BE SOLD IN LIEU OF THE MOTOR FUEL THAT MEETS THE APPLICABLE STANDARDS.
  - 4. SPECIFY THE TIME PERIOD THAT THE MOTOR FUEL WAIVER IS REQUESTED, WHICH MAY NOT EXCEED TWENTY DAYS.
  - C. NOT LATER THAN SEVEN DAYS AFTER THE RECEIPT OF A PETITION SUBMITTED PURSUANT TO SUBSECTION B OF THIS SECTION, THE ASSOCIATE DIRECTOR OF THE DIVISION, IN CONSULTATION WITH THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. SHALL:
    - 1. EVALUATE THE PETITION.
  - 2. ISSUE A WRITTEN DECISION DETERMINING WHETHER THE PETITION INCLUDES THE INFORMATION REQUIRED BY SUBSECTION B OF THIS SECTION AND MEETS THE RELEVANT CRITERIA AS PRESCRIBED IN THE CLEAN AIR ACT.
  - 3. TRANSMIT A COPY OF THE ASSOCIATE DIRECTOR'S WRITTEN DECISION TO THE PETITIONER, DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES.
  - D. IF THE ASSOCIATE DIRECTOR ISSUES A WRITTEN DECISION DETERMINING THAT THE PETITION MEETS THE CRITERIA IN SUBSECTION B OF THIS SECTION AND THE CLEAN AIR ACT WITHIN TWENTY-FOUR HOURS OF TRANSMITTAL TO THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY AS PRESCRIBED BY SUBSECTION C OF THIS SECTION, THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, ON BEHALF OF THE GOVERNOR, SHALL SUBMIT A MOTOR FUEL WAIVER REQUEST TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.
  - E. ANY DECISION ISSUED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO WAIVE THE APPLICABLE FEDERAL STANDARDS, AND ANY DECISION ISSUED BY THE ASSOCIATE DIRECTOR TO WAIVE THE APPLICABLE STATE STANDARDS, THAT RESULTS FROM THE SUBMISSION OF A MOTOR FUEL WAIVER REQUEST PURSUANT TO SUBSECTION D OF THIS SECTION SHALL BE APPLIED EQUALLY TO ALL REGULATED PERSONS TO WHICH THE STANDARDS APPLY. ANY DECISION THAT RESULTS FROM THE SUBMISSION OF A MOTOR FUEL WAIVER REQUEST PURSUANT TO SUBSECTION D OF THIS SECTION SHALL BE PROVIDED TO THE PETITIONER, THE ASSOCIATE DIRECTOR OF THE

- DIVISION, THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ALL REGULATED PERSONS TO WHICH THE STANDARDS APPLY.
- F. THE DIRECTOR OF ENVIRONMENTAL QUALITY, IN CONSULTATION WITH THE ASSOCIATE DIRECTOR OF THE DIVISION, MAY SUBMIT A WRITTEN REQUEST TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO EXTEND THE MOTOR FUEL WAIVER GRANTED PURSUANT TO SUBSECTION D OF THIS SECTION IF THE PETITIONER DEMONSTRATES, AND THE ASSOCIATE DIRECTOR OF THE DIVISION VERIFIES, THAT THE CONDITIONS IDENTIFIED IN THE PETITION HAVE CONTINUED. THE REAUTHORIZATION OF A MOTOR FUEL WAIVER MAY NOT EXCEED TWENTY DAYS.
- G. A PETITION MAY BE SUBMITTED PURSUANT TO SUBSECTION A OF THIS SECTION FOR MOTOR FUEL PROPERTIES THAT ARE NOT REGULATED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. NOT LATER THAN SEVEN DAYS AFTER THE RECEIPT OF A PETITION SUBMITTED PURSUANT TO THIS SUBSECTION, THE ASSOCIATE DIRECTOR OF THE DIVISION SHALL EVALUATE THE PETITION AND, AFTER CONSULTATION WITH AND CONCURRENCE BY THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, ISSUE A WRITTEN DECISION DETERMINING WHETHER THE PETITION INCLUDES THE INFORMATION REQUIRED IN SUBSECTION B OF THIS SECTION AND MEETS THE CRITERIA OF THE CLEAN AIR ACT AND WHETHER TO ISSUE A WAIVER TO WAIVE THE APPLICABLE STATE MOTOR FUEL REQUIREMENTS. THE ASSOCIATE DIRECTOR SHALL TRANSMIT A COPY OF ANY WRITTEN DECISION THE ASSOCIATE DIRECTOR OF THE DIVISION ISSUES PURSUANT TO THIS SUBSECTION TO THE PETITIONER, THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
- H. IF ANY PERSON SUBMITS A PETITION PURSUANT TO SUBSECTION A OF THIS SECTION, THE ASSOCIATE DIRECTOR SHALL PROVIDE WRITTEN NOTICE THAT THE PETITION WAS SUBMITTED WITHIN TWO BUSINESS DAYS OF RECEIPT OF THE PETITION TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. FOR THE PURPOSES OF THIS SUBSECTION, ALL OF THE FOLLOWING ARE EXEMPT FROM THE PROVISIONS OF TITLE 39, CHAPTER 1 AND SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 44-1374:
- 1. ALL COMMUNICATION REGARDING A PETITION BETWEEN THE PRESIDENT OF THE SENATE OR THE PRESIDENT'S AGENT AND ANY OTHER PERSON.

- 2. ALL COMMUNICATION REGARDING A PETITION BETWEEN THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR THE SPEAKER'S AGENT AND ANY OTHER PERSON.
  - 3. ALL NOTICES THE ASSOCIATE DIRECTOR PROVIDES TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OR TO THEIR RESPECTIVE AGENTS.
  - I. FOR THE PURPOSES OF THIS SECTION, "CLEAN AIR ACT" HAS THE SAME MEANING PRESCRIBED IN SECTION 3-3511.
    - 3-3500. Approved gasoline formulations; posting requirement
  - A. THE ASSOCIATE DIRECTOR SHALL POST ON THE DEPARTMENT'S WEBSITE A LIST OF ALL APPROVED GASOLINE FORMULATIONS BY AREA IN THIS STATE. THE ASSOCIATE DIRECTOR SHALL UPDATE THE LIST AS THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY APPROVES OR DENIES NEW GASOLINE FORMULATIONS PURSUANT TO THIS ARTICLE.
  - B. THE ASSOCIATE DIRECTOR SHALL POST SEPARATELY ON THE DEPARTMENT'S WEBSITE BOTH OF THE FOLLOWING:
  - 1. A MAP THAT INCLUDES ALL CURRENTLY APPROVED GASOLINE FORMULATIONS BY AREA IN THIS STATE.
    - 2. A MAP OF AREA A, AREA B AND AREA C.
- Sec. 5. Section 44-1374, Arizona Revised Statutes, is amended to read:
  - 44-1374. <u>Confidentiality of petroleum industry information:</u>
    disclosure; supply emergency; definitions
  - A. A governmental entity shall classify as confidential and not publicly disclose any documents or other information that is received from any petroleum industry related private or public source if the person or entity that provides the information agrees to provide the information only on the express condition that the information remain confidential.
  - B. If a governmental entity receives a request to publicly disclose information that is confidential information or for any other reason proposes to publicly disclose confidential information, the governmental entity shall provide to the person or entity that submitted the confidential information notice in writing of the request or proposal to disclose. The notice shall identify the confidential information that

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would be disclosed and indicate the form in which the confidential information would be provided. On receipt of the notice, the person or entity that submitted the confidential information has fifteen working days in which to respond to the notice and to either withdraw the request for confidentiality or justify to the governmental entity the claim of confidentiality on each specific item of confidential information covered by the notice.

- C. The governmental entity shall consider the response in determining whether to publicly disclose any confidential information for which a justification has been submitted. Unless the governmental entity determines that there is no trade secret or other legitimate justification for the confidentiality being claimed by the respondent, the governmental entity shall not disclose any confidential information for which a justification has been timely submitted. If the governmental entity determines that there is no trade secret or other legitimate justification for all or a portion of the confidentiality claim, the governmental entity shall issue a written decision that sets forth the reasons for making that determination. The governmental entity shall deliver a copy of the decision to the person or entity submitting the confidential information and the person requesting public disclosure of the confidential information.
- D. Notwithstanding a determination that there is no legitimate justification for a claim of confidentiality, and to allow the person or entity that submitted the confidential information to seek direct judicial intervention to prevent its release, the governmental entity shall not publicly disclose confidential information submitted to the governmental entity pursuant to this section for at least fifteen working days after the date on which the governmental entity has issued and disclosed the written determination pursuant to this section.
- E. If any legal or administrative action is filed with any court or other agency seeking to force disclosure of any confidential information, the governmental entity, within five working days  $\sigma f$  AFTER being served with the action, shall notify in writing the person or entity that

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submitted the confidential information of the action to allow the person or entity that submitted the confidential information to intervene in the action.

- Confidential information shall not be classified or maintained as confidential if the governmental entity determines that the confidential information has already been made public by the submitting person or entity and advises, in writing, the person or entity that submitted the confidential information of this determination. Notwithstanding determination that the confidential information has already been made public by the submitting person or entity, the governmental entity shall not publicly disclose the confidential information for at least five working days after the governmental entity has advised the submitting person or entity to allow the person or entity that submitted the confidential information to seek direct judicial intervention to prevent its release.
- G. This section protects petroleum industry related confidential information submitted to a governmental entity but does not impose any requirement that information of any type from any source be submitted to any governmental entity.
- H. If there is a statewide or regional shortage or threatened shortage of a product or service that is essential to the health, safety and welfare of the people of this state due to an abnormal market disruption resulting from any natural disaster, weather condition, act of nature, strike, civil disorder, war, national or local emergency or other extraordinary adverse circumstance, the governor may proclaim that a supply emergency exists. If a supply emergency is declared pursuant to this subsection and a majority of the persons or entities that are the subject of the supply emergency has provided information to the governmental entity, the governmental entity may only disclose the unattributable aggregated total of all sources of confidential information.
  - I. For the purposes of this section:
  - 1. "Confidential information" means all of the following:

- (a) The information is not and has not been reasonably obtainable by legitimate means by other persons without the consent of the person OR ENTITY providing the information, other than by governmental entities and other than in discovery based on a showing of a special need in a judicial or quasi-judicial proceeding.
- (b) A statute does not specifically require disclosure of the information to the public.
- (c) The person OR ENTITY has satisfactorily shown that disclosing the information is likely to cause substantial harm to the competitive position of the person OR ENTITY providing the information.
- 2. "Governmental entity" means an agency, board, department or commission of this state, the state legislature and all MEMBERS, agencies or committees of the state legislature AND THEIR AGENTS but does not include the courts of this state.
- 3. "Publicly disclose" means to reveal the contents of information that has been classified as confidential to any third person or entity that is not bound by this section.

# Sec. 6. Conditional enactment; notice

- A. Section 3-3493, Arizona Revised Statutes, as amended by Laws 2016, chapter 232, section 27 and this act, and section 3-3494, Arizona Revised Statutes, as amended by this act, do not become effective unless on or before July 1, 2028 the United States environmental protection agency approves the proposed modifications to the gasoline fuel formulation requirements as part of the state implementation plan for air quality.
- B. Section 3-3493, Arizona Revised Statutes, as amended by Laws 2017, chapter 295, section 2 and this act, does not become effective unless the condition prescribed by Laws 2017, chapter 295, section 3, as amended by Laws 2022, chapter 177, section 12 and Laws 2024, chapter 70, section 1 is met and on or before July 1, 2028 the United States environmental protection agency approves the additional proposed modifications to the gasoline fuel formulation requirements in this act as part of the state implementation plan for air quality.

#### Senate Amendments to H.B. 2300

- 1 C. The director of the department of environmental quality shall 2 notify the director of the Arizona legislative council in writing on or 3 before October 1, 2028 either:
- 4 1. Of the date on which the condition prescribed by subsection A or B of this section was met.
- 6 2. That neither condition was met."
- 7 Amend title to conform

THOMAS "T.J." SHOPE

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