

**First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 07-0233.01 Thomas Morris

**SENATE BILL 07-031**

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**SENATE SPONSORSHIP**

**Taylor,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**  
Business, Labor and Technology

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE REGULATION OF PETROLEUM PRODUCTS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Allows blended gasoline to exceed the vapor pressure standard only if the ethanol is blended between 9% and 10%. Prohibits the octane rating that is posted on a gasoline pump from exceeding the octane rating certified on the gasoline invoice, bill of lading, shipping paper, or other documentation.

Allows the director of the division of oil and public safety in the department of labor and employment ("division") to assess a range of penalties for delinquent registration and renewal fees and reasonable collection costs, in an amount that does not exceed twice the amount of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

such fees and costs.

Continuously appropriates the petroleum storage tank fund ("fund") to the division for purposes of corrective action, hazard abatement, release investigations, and state matching funds. Clarifies the limitation on the use of the fund for initial abatement and corrective action regarding fuels that are especially prepared and sold for use in aircraft or railroad equipment or locomotives. Extends the repeal date regarding the use of the fund for costs related to petroleum storage tank facility inspections and meter calibrations until 2014. Specifies that 20% of the fund may be used for remediation reimbursements for entities that are not responsible parties.

Allows the director of the division to promulgate and enforce rules as allowed by federal law.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 8-20-204 (1), Colorado Revised Statutes, is  
3 amended to read:

4 **8-20-204. Specifications - classes I, II, and III.** (1) All products  
5 in classes I, II, and III shall comply with the most current applicable  
6 specifications of ASTM, which are found in section 5 of that  
7 organization's publication "Petroleum Products, Lubricants, and Fossil  
8 Fuels" and supplements thereto or revisions thereof as may be designated  
9 by ASTM, except as modified or rejected by this article or any rule  
10 promulgated pursuant to this article. If gasoline is blended with ethanol,  
11 the ASTM D 4814 specifications shall apply to the base gasoline prior to  
12 blending. Blends of gasoline and ethanol shall not exceed the ASTM D  
13 4814 vapor pressure standard; EXCEPT THAT, IF THE ETHANOL IS BLENDED  
14 AT NINE PERCENT OR HIGHER BUT NOT EXCEEDING TEN PERCENT, THE  
15 BLEND MAY EXCEED THE ASTM D 4814 VAPOR PRESSURE STANDARD by  
16 NO more than 1.0 PSI. Class I products shall not be blended at a retail  
17 location with products commonly and commercially known as casinghead  
18 gasoline, absorption gasoline, condensation gasoline, drip gasoline, or

1 natural gasoline.

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3 **SECTION 2.** 8-20.5-102 (4), Colorado Revised Statutes, is  
4 amended to read:

5 **8-20.5-102. Registration - fees.** (4) The director of the division  
6 of oil and public safety shall collect delinquent registration and renewal  
7 fees and assess a penalty of UP TO twice the amount of such fees and  
8 reasonable costs associated with the collection of such fees.

9 **SECTION 3.** The introductory portion to 8-20.5-103 (3) and  
10 8-20.5-103 (3) (a) and (3) (f) (II), Colorado Revised Statutes, are  
11 amended to read:

12 **8-20.5-103. Petroleum storage tank fund - creation - repeal.**

13 (3) The moneys in the PETROLEUM STORAGE TANK fund shall be ~~subject~~  
14 ~~to annual appropriation by the general assembly~~ CONTINUOUSLY  
15 APPROPRIATED TO THE DIVISION OF OIL AND PUBLIC SAFETY; EXCEPT THAT  
16 MONEYS FOR THE PURPOSES SPECIFIED IN PARAGRAPHS (b), (f), AND (g) OF  
17 THIS SUBSECTION (3) SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY  
18 THE GENERAL ASSEMBLY. The fund shall be used for:

19 (a) ~~Use in~~ Petroleum corrective action purposes and third-party  
20 liability ~~except for initial abatement and corrective action purposes for~~  
21 ~~aviation fuel and fuel delivered for use in railroad locomotives~~; where the  
22 costs exceed the minimum financial responsibility requirements of the  
23 owner or operator provided for in section 8-20.5-206; EXCEPT THAT  
24 MONEYS FROM THE FUND MAY NOT BE USED FOR INITIAL ABATEMENT AND  
25 CORRECTIVE ACTION REGARDING FUELS THAT ARE ESPECIALLY PREPARED  
26 AND SOLD FOR USE IN AIRCRAFT OR RAILROAD EQUIPMENT OR  
27 LOCOMOTIVES.

1 (f) (II) This paragraph (f) is repealed, effective July 1, 2007 2014.

2 **SECTION 4.** 8-20.5-104 (8), Colorado Revised Statutes, is  
3 amended to read:

4 **8-20.5-104. Rules - petroleum storage tank committee.** (8) At  
5 its first meeting of each fiscal year, on or about July 1, the committee  
6 shall establish and set aside for reimbursements to those individuals who  
7 are eligible to make application to the fund in accordance with section  
8 8-20.5-206 (3) or 8-20.5-303 (3), an amount equal to twenty percent of  
9 the total ~~annual allocation to the capital construction~~ budget of the  
10 department from the petroleum storage tank fund, which amount shall be  
11 used for the purpose of conducting remediation activities in accordance  
12 with sections 8-20.5-206 (3), 8-20.5-209, and 8-20.5-303 (3) and shall  
13 protect the integrity of the fund as a financial assurance mechanism for  
14 tank owners and operators. The committee shall reexamine on a quarterly  
15 basis the unencumbered balance of this allocation and may set aside lesser  
16 or additional amounts for reimbursements to such applicants based on the  
17 relative number of requested reimbursements from the owners and  
18 operators of active sites, with preference given to the remediation of  
19 recently contaminated locations and to active tank sites based on their  
20 higher potential for environmental impact.

21 **SECTION 5.** The introductory portion to 8-20.5-202 (1),  
22 Colorado Revised Statutes, is amended to read:

23 **8-20.5-202. Duties of the director of the division of oil and**  
24 **public safety.** (1) The director of the division of oil and public safety  
25 shall ~~make~~, promulgate and enforce rules ~~which~~ THAT are no more  
26 stringent than the requirements contained in 42 U.S.C. sec. 6991 ET SEQ.,  
27 and the regulations promulgated thereunder, EXCEPT AS ALLOWED BY

1 FEDERAL LAW, INCLUDING THE FEDERAL "ENERGY POLICY ACT OF 2005",  
2 PUB.L. NO. 109-58, AS AMENDED, for:

3 **SECTION 6. Applicability.** This act shall apply to actions  
4 occurring on or after the effective date of this act.

5 **SECTION 7. Safety clause.** The general assembly hereby finds,  
6 determines, and declares that this act is necessary for the immediate  
7 preservation of the public peace, health, and safety.