

**Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 06-0120.01 Karen Epps

SENATE BILL 06-138

SENATE SPONSORSHIP

Shaffer, Entz, Fitz-Gerald, and Kester

HOUSE SPONSORSHIP

Gardner, Gallegos, Hodge, and Rose

Senate Committees

Agriculture, Natural Resources & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE REQUIREMENT THAT GASOLINE CONTAIN AT LEAST**
102 **A SPECIFIED PERCENTAGE OF ETHANOL BY VOLUME.**

Bill Summary

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

Interim Committee on Rural Economic Development Issues.

Requires that all gasoline sold in Colorado contain at least:

5% denatured ethanol by volume as of January 1, 2007;

10% denatured ethanol by volume as of January 1, 2009;

and

If allowed pursuant to federal law and federal guidelines,
and if doing so would not void any automobile

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.

manufacturer's warranty:

15% denatured ethanol by volume as of January 1, 2011, or at such time after January 1, 2011, as the division of oil and public safety certifies that the criteria in the act have been met; and

20% denatured ethanol by volume as of January 1, 2013, or at such time after January 1, 2013, as the division of oil and public safety certifies that the criteria in the act have been met.

Requires a refinery or terminal to provide a bill of lading or shipping manifest that includes the identity and the volume percentage or gallons of oxygenate included in the gasoline.

Allows for the sale of nonoxygenated gasoline under the following circumstances:

At an airport, marina, mooring facility, or resort for use in aircraft if the gasoline is unleaded premium;

At a public or private racecourse if the gasoline is intended to be used exclusively as a fuel for off-highway motor sports racing events;

At retail gasoline stations for use in collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, or small engines; and

Directly to bulk fuel storage tanks for use in collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, small engines, or airplanes.

Requires the executive director of the department of personnel to establish a policy by January 1, 2007, requiring all state-owned vehicles and equipment to use a fuel blend of ethanol and gasoline if the price is no greater than 10¢ more per gallon than the price of gasoline, and to provide for proper administration, implementation, and enforcement of the policy.

Requires the executive director of the department of personnel to purchase flexible-fuel vehicles whenever possible.

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

2 **SECTION 1.** Part 2 of article 20 of title 8, Colorado Revised
3 **Statutes, is amended BY THE ADDITION OF A NEW SECTION to**
4 **read:**

5 **8-20-236. Ethanol content standard - rules.** (1) SEVENTY-FIVE
6 **PERCENT OF ALL GASOLINE SOLD IN COLORADO, FROM NOVEMBER**

1 THROUGH APRIL OF EVERY YEAR, SHALL CONTAIN AT LEAST TEN PERCENT
2 ETHANOL BY VOLUME.

3 (2) FOR PURPOSES OF CALCULATING COMPLIANCE WITH THE
4 REQUIREMENT IN SUBSECTION (1) OF THIS SECTION:

5 (a) EVERY GALLON OF E85 FUEL SOLD IN COLORADO SHALL COUNT
6 AS EIGHT AND ONE-HALF GALLONS OF E10 FUEL SOLD; AND

7 (b) EVERY GALLON OF CELLULOSIC ETHANOL SOLD IN COLORADO
8 SHALL COUNT AS FIVE GALLONS OF E10 FUEL SOLD.

9 (3) TERMINALS, REFINERIES, AND ENTITIES REQUIRED TO FILE IRS
10 FORM 637 SELLING GASOLINE IN COLORADO SHALL MEET THE
11 REQUIREMENT OF SUBSECTION (1) OF THIS SECTION. EVERY TERMINAL,
12 REFINERY, AND ENTITY AFFECTED BY THIS SUBSECTION (3) SHALL SUBMIT
13 TO THE COLORADO DEPARTMENT OF REVENUE, ON A FORM APPROVED BY
14 THE COLORADO DEPARTMENT OF REVENUE, A MONTHLY STATEMENT
15 CONTAINING THE TOTAL VOLUME OF GASOLINE SOLD AND INDICATING
16 SEPARATELY THE AMOUNT OF E10 FUEL, E85 FUEL, AND CELLULOSIC
17 ETHANOL SOLD IN COLORADO.

18 (4) FINES SHALL BE IMPOSED FOR FAILURE TO COMPLY WITH THE
19 REQUIREMENTS OF SUBSECTION (1) OR (3) OF THIS SECTION. SUCH FINES
20 SHALL NOT EXCEED FIVE THOUSAND DOLLARS PER VIOLATION PER YEAR
21 FOR WHICH COMPLIANCE IS NOT MET.

22 (5) THE COLORADO DEPARTMENT OF REVENUE SHALL ADOPT A
23 POLICY THAT EXEMPTS REFINERIES, TERMINALS, AND ENTITIES REQUIRED
24 TO FILE IRS FORM 637 FROM COMPLIANCE WITH SUBSECTION (1) OF THIS
25 SECTION WHEN THE COST OF ETHANOL IS AT LEAST TEN CENTS PER GALLON
26 HIGHER THAN THE WHOLESALE COST OF GASOLINE.

27 (6) THE COLORADO DEPARTMENT OF REVENUE SHALL

1 PROMULGATE RULES NECESSARY TO ESTABLISH FINES FOR VIOLATIONS
2 AND OTHERWISE TO ENFORCE THIS SECTION.

3 (7) FOR THE PURPOSES OF THIS SECTION:

4 (a) "CELLULOSIC ETHANOL" MEANS ETHANOL DERIVED FROM ANY
5 LIGNOCELLULOSIC OR HEMICELLULOSIC MATTER THAT IS AVAILABLE ON
6 A RENEWABLE OR RECURRING BASIS, INCLUDING DEDICATED ENERGY
7 CROPS AND TREES, WOOD AND WOOD RESIDUES, PLANTS, GRASSES,
8 AGRICULTURAL RESIDUES, FIBERS, ANIMAL WASTES AND OTHER WASTE
9 MATERIALS, AND MUNICIPAL SOLID WASTE. THE TERM ALSO INCLUDES
10 ANY ETHANOL PRODUCED IN FACILITIES WHERE ANIMAL WASTES OR OTHER
11 WASTE MATERIALS ARE DIGESTED OR OTHERWISE USED TO DISPLACE
12 NINETY PERCENT OR MORE OF THE FOSSIL FUEL NORMALLY USED IN THE
13 PRODUCTION OF ETHANOL.

14 (b) "E10 FUEL" MEANS A MOTOR FUEL BLEND OF TEN PERCENT
15 ETHANOL AND NINETY PERCENT GASOLINE BY VOLUME.

16 (c) "E85 FUEL" MEANS A MOTOR FUEL BLEND OF EIGHTY-FIVE
17 PERCENT ETHANOL AND FIFTEEN PERCENT GASOLINE BY VOLUME.

18 (d) "ETHANOL" MEANS DOMESTICALLY PRODUCED ETHANOL,
19 INCLUDING, BUT NOT LIMITED TO, CELLULOSIC ETHANOL, THAT IS DERIVED
20 FROM AGRICULTURAL PRODUCTS OR OTHER RENEWABLE RESOURCES AND
21 THAT IS NOT MADE FROM PETROLEUM, NATURAL GAS, OR COAL.

22 **SECTION 2. Effective date.** This act shall take effect January
23 1, 2007.

24 **SECTION 3. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.