

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR THE PRODUCTION, SALE, AND USE OF
5 GASOLINE OR ETHANOL-BLENDED GASOLINE THAT CONTAINS LESS THAN 15%, BY VOLUME, OF
6 AGRICULTURALLY DERIVED, DENATURED ETHANOL AND THAT IS NOT USED OR INVOLVED IN
7 INTERSTATE COMMERCE; AMENDING SECTIONS 82-15-103 AND 82-15-121, MCA."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 **Section 1.** Section 82-15-103, MCA, is amended to read:

12 **"82-15-103. Standards and specifications for petroleum products.** (1) The Except as provided in
13 82-15-121(5) and subsection (2) of this section, the standards and specifications for petroleum products, including
14 but not limited to gasoline, ethanol-blended gasoline, fuel oils, diesel fuel, kerosene, and liquefied petroleum
15 gases, must be determined by the department and, subject to the provisions of 82-15-121(1), must be based
16 upon nationally recognized standards and specifications such as the standards and specifications that are
17 published by the American society for testing and materials. The standards and specifications adopted by rule
18 by the department are the standards and specifications for products sold in this state, and official tests of the
19 products must be based upon the adopted standards and specifications.

20 (2) If federal law prohibits the production, sale, or use of gasoline or ethanol-blended gasoline that
21 contains less than 15%, by volume, of agriculturally derived, denatured ethanol, gasoline or ethanol-blended
22 gasoline that contains less than 15%, by volume, of agriculturally derived, denatured ethanol may be produced,
23 sold to, or used by consumers in this state if the gasoline or ethanol-blended gasoline is not involved in interstate
24 commerce or is not used to propel a motor vehicle involved in interstate commerce."

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26 **Section 2.** Section 82-15-121, MCA, is amended to read:

27 **"82-15-121. (Temporary) Required use of gasoline blended with ethanol.** (1) Except as provided
28 in 82-15-122 and subsection (5) of this section, within 12 months after the department of transportation has
29 certified that the state of Montana has produced 40 million gallons of denatured ethanol and has maintained that
30 level of production on an annualized basis for at least 3 months, the department shall adopt standards and



1 specifications pursuant to 82-15-103 that ensure that all gasoline sold to consumers for use in motor vehicles to
2 be operated on the public highways, roads, and streets of this state must be blended with 10%, by volume, of
3 agriculturally derived, denatured ethanol and may not contain more than trace amounts of the additive methyl
4 tertiary butyl ether.

5 (2) Except as provided in 82-15-122 and subsection (5) of this section, 12 months after the department
6 of transportation has certified that the state of Montana has produced 40 million gallons of denatured ethanol and
7 has maintained that level of production on an annualized basis for at least 3 months, a fuel retailer who sells
8 gasoline to consumers to be used in their vehicles on the public highways, roads, and streets of this state may
9 not accept gasoline for sale to consumers or sell gasoline to consumers that is not ethanol-blended as provided
10 in subsection (1) or that contains the additive methyl tertiary butyl ether.

11 (3) Agriculturally denatured ethanol referred to in subsection (1) may be denatured only as specified in
12 Title 27, parts 20 and 21, of the Code of Federal Regulations.

13 (4) The department of transportation shall compile a quarterly report certifying the amount of denatured
14 ethanol that is produced in Montana.

15 (5) (a) If federal law prohibits the production, sale, or use of gasoline or ethanol-blended gasoline that
16 contains less than 15%, by volume, of agriculturally derived, denatured ethanol, gasoline or ethanol-blended
17 gasoline that contains less than 15%, by volume, of agriculturally derived, denatured ethanol may be produced,
18 sold to, or used by consumers in this state if the gasoline or ethanol-blended gasoline is not involved in interstate
19 commerce or is not used to propel a motor vehicle involved in interstate commerce.

20 (b) Once the production of 40 million gallons of denatured ethanol has been certified and the provisions
21 of subsections (1) and (2) apply, if the production of denatured ethanol drops below 20 million gallons on an
22 annualized basis, the provisions of this section do not apply. (Terminates on occurrence of contingency--sec. 21,
23 Ch. 452, L. 2005.)"

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