

SENATE BILL No. 387

By Committee on Agriculture
(By request of Select Joint Committee on Energy)

1-18

10 AN ACT relating to motor fuels; requiring motor fuels sold in state to
11 contain ethanol or biodiesel.

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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) As used in this section “biodiesel fuel” means a renew-
15 able, biodegradable, mono alkyl ester combustible liquid fuel derived
16 from vegetable oils or animal fats and that meets American society for
17 testing and materials specification D6751-02 for biodiesel fuel (B100)
18 blend stock for distillate fuels.

19 (b) On and after January 1, 2010, all diesel fuel sold or offered for
20 sale in Kansas for use in internal combustion engines must contain at least
21 2% biodiesel fuel oil by volume.

22 (c) A refinery or terminal shall provide, at the time diesel fuel is sold
23 or transferred from the refinery or terminal, a bill of lading or shipping
24 manifest to the person who receives the fuel. For biodiesel-blended prod-
25 ucts, the bill of lading or shipping manifest must disclose biodiesel con-
26 tent, stating volume percentage, gallons of biodiesel per gallons of petro-
27 leum diesel base-stock, or an ASTM “Bxx” designation where “xx”
28 denotes the volume percent biodiesel included in the blended product.
29 This subsection does not apply to sales or transfers of biodiesel blend
30 stock between refineries, between terminals or between a refinery and a
31 terminal.

32 (d) Any person violating the provisions of this section shall be guilty
33 of a class A misdemeanor.

34 Sec. 2. (a) As used in this section:

35 (1) “Person,” means person or persons, corporation, partnership,
36 stock company, society, association or the agent or employee thereof;

37 (2) “person responsible for the product” means a person or persons,
38 corporation, partnership, stock company, society, association, or its agent
39 or employee who processes, blends, holds, stores, imports, transfers, dis-
40 tributes, offers for sale or use, or sells petroleum products in Kansas and
41 who possesses the products at the time they are sampled or inspected by
42 the secretary of the department of revenue; or

43 (3) “premium grade” means gasoline with an octane rating of 91 or

1 greater.

2 (b) Except as provided in subsections (g), (h) or (i), on and after
3 January 1, 2010, a person responsible for the product shall ensure that
4 all gasoline sold or offered for sale in Kansas must contain at least 10%
5 denatured ethanol by volume.

6 (c) For purposes of enforcing the minimum ethanol requirements of
7 subsection (a), a gasoline/ethanol blend will be construed to be in com-
8 pliance if the ethanol content, exclusive of denaturants and permitted
9 contaminants, comprises not less than 9.2% by volume and not more than
10 10% by volume of the blend as determined by an appropriate United
11 States environmental protection agency or American society of testing
12 materials standard method of analysis of alcohol/ether content in engine
13 fuels.

14 (d) When gasoline contains an oxygenate, a person responsible for
15 the product shall not blend the product with ethanol or with any other
16 oxygenate after it is transferred or otherwise removed from a refinery or
17 terminal.

18 (e) The secretary of the department of revenue shall audit the records
19 of registered ethanol blenders to ensure that each blender has met all
20 requirements in this section. Specific information or data relating to sales
21 figures or to processes or methods of production unique to the blender
22 or that would tend to adversely affect the competitive position of the
23 blender must be only for the confidential use of the secretary of the
24 department of revenue, unless otherwise specifically authorized by the
25 registered blender.

26 (f) A refinery or terminal, shall provide, at the time gasoline is sold
27 or transferred from the refinery or terminal, a bill of lading or shipping
28 manifest to the person who receives the gasoline. For oxygenated gaso-
29 line, the bill of lading or shipping manifest must include the identity and
30 the volume percentage or gallons of oxygenate included in the gasoline,
31 and it must state: "This fuel contains an oxygenate. Do not blend this fuel
32 with ethanol or with any other oxygenate." For nonoxygenated gasoline
33 sold or transferred after January 1, 2010, the bill or manifest must state:
34 "This fuel is not oxygenated. It must not be sold at retail in Kansas." This
35 subsection does not apply to sales or transfers of gasoline between refin-
36 eries, between terminals, or between a refinery and a terminal.

37 (g) A person responsible for the product may offer for sale, sell or
38 dispense at an airport, for use in airplanes, gasoline that is not oxygenated
39 in accordance with this section if the gasoline is unleaded premium grade.

40 (h) A person responsible for the product may offer for sale, sell or
41 dispense at a public or private racecourse, gasoline that is not oxygenated
42 in accordance with this section if the gasoline is intended to be used
43 exclusively as a fuel for off-highway motor sports racing events.

- 1 (i) A person responsible for the product may offer for sale, sell or
2 dispense at a retail gasoline station for use in collector vehicles or vehicles
3 eligible to be licensed as collector vehicles, or small engines, gasoline that
4 is not oxygenated in accordance with this section if the person meets the
5 conditions in paragraphs (1) through (4).
- 6 (1) If the nonoxygenated gasoline is for use in a small engine, it must
7 be dispensed into a can with a capacity of six or fewer gallons;
- 8 (2) the nonoxygenated gasoline must be unleaded premium grade;
- 9 (3) no more than one storage tank on the premises of the retail gas-
10 oline station may be used for storage of the nonoxygenated gasoline of-
11 fered for sale, sold or dispensed by the station; and
- 12 (4) the pump stands must be posted with a permanent notice stating:
13 “NONOXYGENATED GASOLINE. FOR USE IN COLLECTOR VE-
14 HICLES OR VEHICLES ELIGIBLE TO BE LICENSED AS COL-
15 LECTOR VEHICLES, OR SMALL ENGINES ONLY.”
- 16 (j) Any person violating the provisions of this section shall be guilty
17 of a class A misdemeanor.
- 18 Sec. 3. This act shall take effect and be in force from and after its
19 publication in the statute book.