

REFERENCE TITLE: gasoline formulations; air quality.

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **SB 1064**

Introduced by

Senators Wadsack: Bolick, Borrelli, Farnsworth, Hoffman, Kern, Miranda,  
Petersen; Representatives Chaplik, Heap, Jones, Kolodin, McGarr, Parker  
J, Smith

AN ACT

AMENDING SECTION 3-3433, ARIZONA REVISED STATUTES; AMENDING SECTION 3-3493, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 232, SECTION 27; AMENDING SECTION 3-3493, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 295, SECTION 2; AMENDING SECTION 3-3494, ARIZONA REVISED STATUTES; AMENDING TITLE 3, CHAPTER 19, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 3-3499; RELATING TO MOTOR FUEL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 3-3433, Arizona Revised Statutes, is amended to  
3 read:

4 3-3433. Standards for motor fuel; exceptions

5 A. Except as provided in section 3-3434 and subsections C, D, E, F,  
6 G and K of this section, a retail seller or fleet owner shall not store,  
7 sell or expose or offer for sale any motor fuel, kerosene, oil or other  
8 liquid or gaseous fuel or lubricating oil, lubricant, mixtures of  
9 lubricants or other similar products if the product fails to meet the  
10 standards specified in this section and in the rules adopted by the  
11 associate director.

12 B. A person shall not misrepresent the nature, origination,  
13 quality, grade or identity of any product specified in subsection A of  
14 this section or represent the nature, origination, quality, grade or  
15 identity of such product in any manner calculated or tending to mislead or  
16 in any way deceive. This subsection does not prohibit product origination  
17 disclaimer labeling on the retail dispenser.

18 C. After consultation with the director of the department of  
19 environmental quality, the standards and test methods for motor fuels  
20 shall be established by the associate director of the division by rule.

21 D. Maximum vapor pressure for gasoline that is ~~supplied or~~ sold **OR**  
22 **OFFERED FOR SALE** by any ~~person~~ **RETAIL SELLER** and that is intended as a  
23 final product for the fueling of motor vehicles in a county with a  
24 population of one million two hundred thousand or more persons and any  
25 portion of a county contained in area A shall be 9.0 pounds per square  
26 inch from and after September 30 through March 31 of each year. Fuel used  
27 in motor vehicles at a manufacturer's proving ground or a motor vehicle  
28 racing event is exempt from this subsection.

29 E. From and after September 30 through March 31 of each year, a  
30 person shall not supply or sell gasoline that exceeds the ASTM D4814 class  
31 A vapor pressure/distillation class ten volume percent evaporated  
32 distillation temperature.

33 F. Maximum vapor pressure for gasoline that is ~~supplied or~~ sold **OR**  
34 **OFFERED FOR SALE** by any ~~person~~ **RETAIL SELLER** and that is intended as a  
35 final product for the fueling of motor vehicles in a county with a  
36 population of one million two hundred thousand persons or more and any  
37 portion of a county contained in area A shall be 7.0 pounds per square  
38 inch from and after May 31 through September 30 of each year. Fuel used  
39 in motor vehicles at a manufacturer's proving ground or a motor vehicle  
40 racing event is exempt from this subsection.

41 G. Exclusively for the purposes of transportation conformity and  
42 only if the administrator of the United States environmental protection  
43 agency fails to approve the applicable plan required pursuant to section  
44 49-406, maximum vapor pressure for gasoline that is supplied or sold by  
45 any person and that is intended as a final product for the fueling of

1 motor vehicles in area B shall be ten pounds per square inch from and  
2 after September 30 through March 31 of each year. Fuel used in motor  
3 vehicles at a manufacturer's proving ground or a motor vehicle racing  
4 event is exempt from this subsection.

5 H. Notwithstanding subsections D, F and G of this section, the  
6 associate director of the division in consultation with the director of  
7 the department of environmental quality shall approve alternate fuel  
8 control measures that are submitted by gasoline providers and that the  
9 director and the associate director determine will result in either of the  
10 following:

11 1. Motor vehicle carbon monoxide emissions that are equal to or  
12 less than emissions that result under compliance with subsection D of this  
13 section and section 3-3492. In making this determination, the associate  
14 director of the division and the director of the department of  
15 environmental quality shall compare the emissions of the alternate fuel  
16 control measure with the emissions of a fuel with a maximum vapor pressure  
17 standard as prescribed by this section and with the minimum oxygen content  
18 or percentage by volume of ethanol as prescribed by section 3-3492.

19 2. Motor vehicle non-methane hydrocarbon emissions that are equal  
20 to or less than the emissions that result under compliance with subsection  
21 F of this section. In making this determination, the associate director  
22 of the division and the director of the department of environmental  
23 quality shall compare the motor vehicle non-methane hydrocarbon emissions  
24 of the alternate fuel control measure with the motor vehicle non-methane  
25 hydrocarbon emissions of a fuel that complies with the maximum vapor  
26 pressure standard as prescribed by subsection F of this section.

27 I. Any alternate fuel control measures that are approved shall not  
28 increase emissions of non-methane hydrocarbons, particulates, carbon  
29 monoxide or oxides of nitrogen. Alternate fuel control measures approved  
30 pursuant to subsection H of this section and this subsection may be used  
31 by any gasoline provider unless the approval is rescinded more than one  
32 hundred eighty days before the first day of a gasoline control  
33 period. Gasoline providers that use an approved alternate fuel control  
34 measure shall annually submit a compliance plan to the associate director  
35 ~~no~~ NOT later than sixty days before the first day of a gasoline control  
36 period.

37 J. A person shall not sell or offer or expose for sale diesel fuel  
38 grade 1, 2 or 4 as defined in ASTM D975, biodiesel, biodiesel blends or  
39 biomass-based diesel or biomass-based diesel blends that contain sulfur in  
40 excess of fifteen parts per million. Locomotive and marine diesel fuel is  
41 exempt from this requirement if the fuel meets the requirements of 40 Code  
42 of Federal Regulations section 80.513(g) and (h).

43 K. A person shall label dispensers at which biodiesel, biodiesel  
44 blends, biomass-based diesel or biomass-based diesel blends are dispensed  
45 in conformance with 16 Code of Federal Regulations part 306. This section

1 does not preclude a person from labeling a dispenser that dispenses diesel  
2 fuel that contains up to five percent biodiesel or biomass-based diesel  
3 with a label that states "may contain up to five percent biodiesel" or  
4 "may contain up to five percent biomass-based diesel".

5 L. For biodiesel blends that contain more than five percent by  
6 volume of biodiesel, a person shall prepare product transfer documents in  
7 a manner that notifies the transferee of the percent by volume of  
8 biodiesel in the product.

9 M. The associate director shall adopt rules regarding the  
10 establishment and enforcement of all of the following:

11 1. National or federal standards for individual biofuels and  
12 biofuel blends.

13 2. United States environmental protection agency and ASTM test  
14 methods for individual biofuels and biofuel blends.

15 3. Registration and reporting requirements for producers, blenders  
16 and suppliers of biofuels and biofuel blends.

17 4. Labeling requirements for biofuels and biofuel blends other than  
18 biodiesel or biodiesel blends.

19 5. Quality assurance and quality control programs for producers,  
20 blenders and suppliers of biofuels and biofuel blends addressing rack,  
21 batch or other blending.

22 6. Requirements that the dispensing equipment meet appropriate  
23 UL ratings where available and applicable, that the equipment comply with  
24 rules adopted by the division relating to approval, installation and sale  
25 of devices and that the equipment be compatible with the products being  
26 dispensed.

27 N. A biofuels or biofuel blends producer, blender, distributor,  
28 supplier or retail seller that is in compliance with this section and the  
29 rules adopted pursuant to this section is not liable to a consumer for any  
30 injuries or property damage related to a consumer who misfuels.

31 O. If any person transfers custody or title of a diesel fuel or  
32 distillate, biodiesel, a biodiesel blend, biomass-based diesel or a  
33 biomass-based diesel blend, except if the fuel is dispensed into a motor  
34 vehicle or nonroad, locomotive or marine equipment, the transferor shall  
35 provide to the transferee product transfer documents that conform with 40  
36 Code of Federal Regulations section 80.590.

37 P. If the transfer of a motor fuel is from a terminal, storage  
38 facility, or transmix facility, the product transfer documents shall  
39 contain the information prescribed in subsection O of this section. In  
40 addition, the fuel transporter shall ensure that the name and address of  
41 the final destination for the shipment, as prescribed by division rule,  
42 are included and that the product transfer documents accompany the  
43 shipment to its final destination.

1           Sec. 2. Section 3-3493, Arizona Revised Statutes, as amended by  
2 Laws 2016, chapter 232, section 27, is amended to read:

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

4           A. All gasoline ~~produced and shipped to or within this state and~~  
5 sold or offered for sale for use in motor vehicles in a county with a  
6 population of one million two hundred thousand or more persons and any  
7 portion of a county contained in area A, subject to an appropriate waiver  
8 granted by the administrator of the United States environmental protection  
9 agency pursuant to section 211(c)(4) of the clean air act as defined in  
10 section 49-401.01, shall comply with ~~either~~ ONE of the following fuel  
11 reformulation options:

12           1. A gasoline that meets standards for federal phase II  
13 reformulated gasoline, as provided in 40 Code of Federal Regulations  
14 section 80.41, paragraphs (e) through (h), in effect on January 1, 1999,  
15 except that the minimum oxygen content standard does not apply. The  
16 gasoline shall also meet the maximum vapor pressure requirements in  
17 section 3-3433, subsections D and F.

18           2. A GASOLINE THAT MEETS STANDARDS FOR California phase 2  
19 reformulated gasoline, including alternative formulations allowed by the  
20 predictive model, as adopted by the California air resources board  
21 pursuant to California Code of Regulations title 13, sections 2261 through  
22 2262.7 and 2265, in effect on January 1, 1997, except that the minimum  
23 oxygen content standard does not apply. The gasoline shall also meet the  
24 maximum vapor pressure requirements in section 3-3433, subsections D  
25 and F.

26           3. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II  
27 REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS  
28 SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020. THE  
29 GASOLINE SHALL ALSO MEET THE MAXIMUM VAPOR PRESSURE REQUIREMENTS IN  
30 SECTION 3-3433, SUBSECTION F. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH  
31 MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE MINIMUM OXYGEN  
32 CONTENT OR PERCENTAGE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.

33           4. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3  
34 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE  
35 PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD  
36 PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH  
37 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014. FOR THE PERIOD BEGINNING  
38 NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE  
39 REQUIREMENTS PRESCRIBED IN SECTION 3-3492.

40           5. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS  
41 PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES  
42 ENVIRONMENTAL PROTECTION AGENCY.

1 B. For the period beginning November 1 through March 31 of each  
2 year, all gasoline produced and shipped to or within this state and sold  
3 or offered for sale for use in motor vehicles in a county with a  
4 population of one million two hundred thousand or more persons and any  
5 portion of a county contained in area A, subject to an appropriate waiver  
6 granted by the administrator of the United States environmental protection  
7 agency pursuant to section 211(c)(4) of the clean air act as defined in  
8 section 49-401.01, shall comply with **ONE OF THE FOLLOWING** standards ~~for~~:

9 1. California phase 2 reformulated gasoline, including alternative  
10 formulations allowed by the predictive model, as adopted by the California  
11 air resources board pursuant to California Code of Regulations title 13,  
12 sections 2261 through 2262.7 and 2265, in effect on January 1, 1997 and  
13 shall meet the maximum vapor pressure requirements in section 3-3433,  
14 subsections D and F. The fuel described in this subsection shall meet the  
15 requirements of section 3-3492, subsection A, ~~paragraph 1~~.

16 2. **NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT**  
17 **MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING**  
18 **ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY**  
19 **THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF**  
20 **REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON**  
21 **FEBRUARY 16, 2014.**

22 3. **NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT**  
23 **MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN**  
24 **40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN**  
25 **EFFECT ON DECEMBER 4, 2020.**

26 4. **A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II**  
27 **REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS**  
28 **SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020.**

29 5. **A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3**  
30 **REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE**  
31 **PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD**  
32 **PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH**  
33 **2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014.**

34 6. **A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS**  
35 **PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES**  
36 **ENVIRONMENTAL PROTECTION AGENCY.**

37 C. Any registered supplier or oxygenate blender, as defined in  
38 division rules, **THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE OF**  
39 **REPRESENTATIVES** may petition the associate director to request that all  
40 registered suppliers or oxygenate blenders be allowed to comply with  
41 standards other than the standards prescribed by **THIS SECTION OR** section  
42 3-3492, subsection A if the petitioner can demonstrate that **A REGISTERED**  
43 **SUPPLIER'S OR OXYGENATE BLENDER'S ABILITY TO SUPPLY** ethanol ~~supply~~  
44 ~~shortages are~~ **OR GASOLINE THAT MEETS THE SPECIFICATIONS OF SUBSECTION A OR**  
45 **B OF THIS SECTION IS IN imminent DANGER AND MAY RESULT IN SUPPLY SHORTAGES**

1 OF ETHANOL OR GASOLINE IN AREA A. IF A REGISTERED SUPPLIER OR OXYGENATE  
2 BLENDER, AS DEFINED IN DIVISION RULES, SUBMITS A PETITION PURSUANT TO THIS  
3 SECTION, THE REGISTERED SUPPLIER OR OXYGENATE BLENDER SHALL PROVIDE NOTICE  
4 AND A COPY OF THE PETITION TO THE PRESIDENT OF THE SENATE AND THE SPEAKER  
5 OF THE HOUSE OF REPRESENTATIVES.

6 D. The petition shall:

7 ~~1. Identify specific supply conditions that will result in a~~  
8 ~~shortage of ethanol.~~

9 1. FOR OXYGENATE SHORTAGES:

10 ~~2.~~ (a) Identify which oxygenate or oxygenates and the  
11 concentration that will be blended into gasoline BY THE PETITIONER OR  
12 REGISTERED SUPPLIERS OR OXYGENATE BLENDERS, AS DEFINED IN DIVISION RULES,  
13 for sale or use in area A.

14 ~~3.~~ (b) Demonstrate that the alternative oxygenate blend comes  
15 closest to meeting a three and one-half percent by weight oxygen content  
16 ~~at reasonable cost~~, unless the registered supplier or oxygenate blender is  
17 petitioning to use a gasoline-ethanol blend containing less than ten  
18 percent by volume of ethanol.

19 2. FOR GASOLINE SHORTAGES, IDENTIFY THE FORMULATION OF GASOLINE  
20 THAT THE PETITIONER OR REGISTERED SUPPLIERS OR OXYGENATE BLENDERS, AS  
21 DEFINED IN DIVISION RULES, WILL SELL IN LIEU OF GASOLINE MEETING THE  
22 STANDARDS IN SUBSECTION A OR B OF THIS SECTION.

23 ~~4.~~ 3. Specify a PROJECTED time period for compliance with any  
24 provision of THIS SECTION AND section 3-3492, subsection A, not to exceed  
25 sixty days.

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

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

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

39 H. The ASSOCIATE OF THE DIVISION, ~~of environmental quality~~  
40 in consultation with the ~~associate~~ director of the ~~division~~ DEPARTMENT OF  
41 ENVIRONMENTAL QUALITY, shall adopt by rule:

42 1. Requirements to implement subsections A, B, C and D of this  
43 section.

1           2. Requirements for recordkeeping, reporting and analytical methods  
2 for fuel providers to demonstrate compliance with subsections A, B, C and  
3 D of this section.

4           I. FOR THE PURPOSES OF SUBSECTION A, PARAGRAPH 5 OF THIS SECTION, A  
5 REGISTERED SUPPLIER OR OXYGENATE BLENDER, AS DEFINED IN DIVISION RULES,  
6 THAT IS NOT A RETAIL SELLER MAY HOLD, POSSESS, TRANSPORT, STORE AND BLEND  
7 AND SELL OR OFFER FOR SALE TO ANOTHER REGISTERED SUPPLIER OR OXYGENATE  
8 BLENDER ALL GASOLINE AND GASOLINE BLENDS THAT DO NOT MEET THE REQUIREMENTS  
9 OF SUBSECTION A, PARAGRAPH 1, 2, 3 OR 4 OF THIS SECTION IF THE GASOLINE OR  
10 GASOLINE BLEND THAT IS ULTIMATELY SOLD OR OFFERED FOR SALE TO THE PUBLIC  
11 BY RELEVANT RETAIL SELLERS THAT SELL OR OFFER FOR SALE GASOLINE OR A  
12 GASOLINE BLEND FOR USE IN MOTOR VEHICLES IN A COUNTY WITH A POPULATION OF  
13 ONE MILLION TWO HUNDRED THOUSAND OR MORE PERSONS AND ANY PORTION OF A  
14 COUNTY CONTAINED IN AREA A AND THAT OBTAIN GASOLINE OR A GASOLINE BLEND  
15 FROM THE REGISTERED SUPPLIER OR OXYGENATE BLENDER OR FROM A REGISTERED  
16 SUPPLIER OR OXYGENATE BLENDER THAT OBTAINED GASOLINE OR A GASOLINE BLEND  
17 FROM THE REGISTERED SUPPLIER OR OXYGENATE BLENDER MEETS THE REQUIREMENTS  
18 OF SUBSECTION A OF THIS SECTION.

19           ~~I.~~ J. This section does not apply to fuel sold for use at a motor  
20 vehicle manufacturer proving ground or at a motor vehicle racing event.

21           Sec. 3. Section 3-3493, Arizona Revised Statutes, as amended by  
22 Laws 2017, chapter 295, section 2, is amended to read:

23           3-3493. Area A; fuel reformulation; rules; exception

24           A. All gasoline ~~produced and shipped to or within this state and~~  
25 sold or offered for sale for use in motor vehicles in a county with a  
26 population of one million two hundred thousand or more persons and any  
27 portion of a county contained in area A, subject to an appropriate waiver  
28 granted by the administrator of the United States environmental protection  
29 agency pursuant to section 211(c)(4) of the clean air act as defined in  
30 section 49-401.01, shall comply with ~~either~~ ONE of the following fuel  
31 reformulation options:

32           1. A gasoline that meets standards for federal phase II  
33 reformulated gasoline, as provided in 40 Code of Federal Regulations  
34 section 80.41, paragraphs (e) through (h), in effect on January 1, 1999,  
35 except that the minimum oxygen content standard does not apply. The  
36 gasoline shall also meet the maximum vapor pressure requirements in  
37 section 3-3433, subsections D and F.

38           2. A GASOLINE THAT MEETS STANDARDS FOR California phase 2  
39 reformulated gasoline, including alternative formulations allowed by the  
40 predictive model, as adopted by the California air resources board  
41 pursuant to California Code of Regulations title 13, sections 2261 through  
42 2262.7 and 2265, in effect on January 1, 1997, except that the minimum  
43 oxygen content standard does not apply. The gasoline shall also meet the  
44 maximum vapor pressure requirements in section 3-3433, subsections D  
45 and F.



1           3. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II  
2 REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS  
3 SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020. THE  
4 GASOLINE SHALL ALSO MEET THE MAXIMUM VAPOR PRESSURE REQUIREMENTS IN  
5 SECTION 3-3433, SUBSECTION F. FOR THE PERIOD BEGINNING NOVEMBER 1 THROUGH  
6 MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE MINIMUM OXYGEN  
7 CONTENT OR PERCENTAGE REQUIREMENTS PRESCRIBED IN SECTION 3-3492.

8           4. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3  
9 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE  
10 PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD  
11 PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH  
12 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014. FOR THE PERIOD BEGINNING  
13 NOVEMBER 1 THROUGH MARCH 31 OF EACH YEAR, THE GASOLINE SHALL ALSO MEET THE  
14 REQUIREMENTS PRESCRIBED IN SECTION 3-3492.

15           5. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS  
16 PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES  
17 ENVIRONMENTAL PROTECTION AGENCY.

18           B. For the period beginning November 1 through March 31 of each  
19 year, all gasoline ~~produced and shipped to or within this state and~~ sold  
20 or offered for sale for use in motor vehicles in a county with a  
21 population of one million two hundred thousand or more persons and any  
22 portion of a county contained in area A, subject to an appropriate waiver  
23 granted by the administrator of the United States environmental protection  
24 agency pursuant to section 211(c)(4) of the clean air act as defined in  
25 section 49-401.01, shall comply with ONE OF THE FOLLOWING standards for:

26           1. California phase 2 reformulated gasoline, including alternative  
27 formulations allowed by the predictive model, as adopted by the California  
28 air resources board pursuant to California Code of Regulations title 13,  
29 sections 2261 through 2262.7 and 2265, in effect on January 1, 1997 and  
30 shall meet the maximum vapor pressure requirements in section 3-3433,  
31 subsections D and F. The fuel described in this ~~subsection~~ PARAGRAPH  
32 shall meet the requirements of section 3-3492, subsection A, ~~paragraph 1~~  
33 ~~or 2~~.

34           2. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT  
35 MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING  
36 ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY  
37 THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF  
38 REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON  
39 FEBRUARY 16, 2014.

40           3. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT  
41 MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN  
42 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN  
43 EFFECT ON DECEMBER 4, 2020.

1 4. A GASOLINE THAT MEETS STANDARDS FOR FEDERAL PHASE II  
2 REFORMULATED GASOLINE, AS PROVIDED IN 40 CODE OF FEDERAL REGULATIONS  
3 SECTIONS 1090.200 THROUGH 1090.295, IN EFFECT ON DECEMBER 4, 2020.

4 5. A GASOLINE THAT MEETS STANDARDS FOR CALIFORNIA PHASE 3  
5 REFORMULATED GASOLINE, INCLUDING ALTERNATIVE FORMULATIONS ALLOWED BY THE  
6 PREDICTIVE MODEL, AS ADOPTED BY THE CALIFORNIA AIR RESOURCES BOARD  
7 PURSUANT TO CALIFORNIA CODE OF REGULATIONS TITLE 13, SECTIONS 2261 THROUGH  
8 2262.7 AND 2265, IN EFFECT ON FEBRUARY 16, 2014.

9 6. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS  
10 PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES  
11 ENVIRONMENTAL PROTECTION AGENCY.

12 C. Any registered supplier or oxygenate blender, as defined in  
13 division rules, THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE OF  
14 REPRESENTATIVES may petition the associate director to request that all  
15 ~~registered suppliers or oxygenate blenders~~ RETAIL SELLERS be allowed to  
16 ~~comply with standards other than~~ SELL OR OFFER FOR SALE GASOLINE FOR USE  
17 IN MOTOR VEHICLES IN AREA A THAT DOES NOT MEET the standards prescribed by  
18 THIS SECTION OR section 3-3492, subsection A if the petitioner can  
19 demonstrate that THE PETITIONER'S ABILITY TO SUPPLY ethanol ~~supply~~  
20 ~~shortages are~~ OR GASOLINE THAT MEETS THE SPECIFICATIONS OF SUBSECTION A OR  
21 B OF THIS SECTION IS IN imminent DANGER AND MAY RESULT IN SUPPLY SHORTAGES  
22 OF ETHANOL OR GASOLINE IN AREA A. IF A REGISTERED SUPPLIER OR OXYGENATE  
23 BLENDER, AS DEFINED IN DIVISION RULES, SUBMITS A PETITION PURSUANT TO THIS  
24 SECTION, THE REGISTERED SUPPLIER OR OXYGENATE BLENDER SHALL PROVIDE NOTICE  
25 AND A COPY OF THE PETITION TO THE PRESIDENT OF THE SENATE AND THE SPEAKER  
26 OF THE HOUSE OF REPRESENTATIVES.

27 D. The petition shall:

28 ~~1. Identify specific supply conditions that will result in a~~  
29 ~~shortage of ethanol.~~

30 1. FOR OXYGENATE SHORTAGES:

31 ~~2.~~ (a) Identify which oxygenate or oxygenates and the  
32 concentration that will be blended into gasoline BY THE PETITIONER OR  
33 REGISTERED SUPPLIERS OR OXYGENATE BLENDERS, AS DEFINED IN DIVISION RULES,  
34 for sale or use in area A.

35 ~~3.~~ (b) Demonstrate that the alternative oxygenate blend comes  
36 closest to meeting a three and one-half percent by weight oxygen content  
37 ~~at reasonable cost~~, unless the registered supplier or oxygenate blender is  
38 petitioning to use a gasoline-ethanol blend containing less than ten  
39 percent by volume of ethanol.

40 2. FOR GASOLINE SHORTAGES, IDENTIFY THE FORMULATION OF GASOLINE  
41 THAT THE PETITIONER OR REGISTERED SUPPLIERS OR OXYGENATE BLENDERS, AS  
42 DEFINED IN DIVISION RULES, WILL SELL IN LIEU OF GASOLINE MEETING THE  
43 STANDARDS IN SUBSECTION A OR B OF THIS SECTION.

1           ~~4.~~ 3. Specify a PROJECTED time period for compliance with any  
2 provision of THIS SECTION OR section 3-3492, subsection A, not to exceed  
3 sixty days.

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

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

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

17           H. The ASSOCIATE director OF THE DIVISION, ~~of environmental quality~~  
18 in consultation with the ~~associate~~ director of the ~~division~~ DEPARTMENT OF  
19 ENVIRONMENTAL QUALITY, shall adopt by rule:

20           1. Requirements to implement subsections A, B, C and D of this  
21 section.

22           2. Requirements for recordkeeping, reporting and analytical methods  
23 for fuel providers to demonstrate compliance with subsections A, B, C  
24 and D of this section.

25           I. FOR THE PURPOSES OF SUBSECTION A, PARAGRAPH 5 OF THIS SECTION, A  
26 REGISTERED SUPPLIER OR OXYGENATE BLENDER, AS DEFINED IN DIVISION RULES,  
27 THAT IS NOT A RETAIL SELLER MAY HOLD, POSSESS, TRANSPORT, STORE AND BLEND  
28 AND SELL OR OFFER FOR SALE TO ANOTHER REGISTERED SUPPLIER OR OXYGENATE  
29 BLENDER ALL GASOLINE AND GASOLINE BLENDS THAT DO NOT MEET THE REQUIREMENTS  
30 OF SUBSECTION A, PARAGRAPH 1, 2, 3 OR 4 OF THIS SECTION IF THE GASOLINE OR  
31 GASOLINE BLEND THAT IS ULTIMATELY SOLD OR OFFERED FOR SALE TO THE PUBLIC  
32 BY RELEVANT RETAIL SELLERS THAT SELL OR OFFER FOR SALE GASOLINE OR A  
33 GASOLINE BLEND FOR USE IN MOTOR VEHICLES IN A COUNTY WITH A POPULATION OF  
34 ONE MILLION TWO HUNDRED THOUSAND OR MORE PERSONS AND ANY PORTION OF A  
35 COUNTY CONTAINED IN AREA A AND THAT OBTAIN GASOLINE OR A GASOLINE BLEND  
36 FROM THE REGISTERED SUPPLIER OR OXYGENATE BLENDER OR FROM A REGISTERED  
37 SUPPLIER OR OXYGENATE BLENDER THAT OBTAINED GASOLINE OR A GASOLINE BLEND  
38 FROM THE REGISTERED SUPPLIER OR OXYGENATE BLENDER MEETS THE REQUIREMENTS  
39 OF SUBSECTION A OF THIS SECTION.

40           J. FOR THE PURPOSES OF SUBSECTION B, PARAGRAPH 6 OF THIS SECTION, A  
41 REGISTERED SUPPLIER OR OXYGENATE BLENDER, AS DEFINED IN DIVISION RULES,  
42 THAT IS NOT A RETAIL SELLER MAY HOLD, POSSESS, TRANSPORT, STORE AND BLEND  
43 AND SELL OR OFFER FOR SALE TO ANOTHER REGISTERED SUPPLIER OR OXYGENATE  
44 BLENDER ALL GASOLINE AND GASOLINE BLENDS THAT DO NOT MEET THE REQUIREMENTS  
45 OF ANY PARAGRAPH OF SUBSECTION B OF THIS SECTION IF THE GASOLINE OR

1 GASOLINE BLEND THAT IS ULTIMATELY SOLD OR OFFERED FOR SALE TO THE PUBLIC  
2 BY RELEVANT RETAIL SELLERS THAT SELL OR OFFER FOR SALE GASOLINE OR A  
3 GASOLINE BLEND FOR USE IN MOTOR VEHICLES IN A COUNTY WITH A POPULATION OF  
4 ONE MILLION TWO HUNDRED THOUSAND OR MORE PERSONS AND ANY PORTION OF A  
5 COUNTY CONTAINED IN AREA A AND THAT OBTAIN GASOLINE OR A GASOLINE BLEND  
6 FROM THE REGISTERED SUPPLIER OR OXYGENATE BLENDER OR FROM A REGISTERED  
7 SUPPLIER OR OXYGENATE BLENDER THAT OBTAINED GASOLINE OR A GASOLINE BLEND  
8 FROM THE REGISTERED SUPPLIER OR OXYGENATE BLENDER MEETS THE REQUIREMENTS  
9 OF SUBSECTION B, PARAGRAPH 6 OF THIS SECTION.

10 ~~f~~. K. This section does not apply to fuel sold for use at a motor  
11 vehicle manufacturer proving ground or at a motor vehicle racing event.

12 Sec. 4. Section 3-3494, Arizona Revised Statutes, is amended to  
13 read:

14 3-3494. Area C; fuel reformulation; rules; exception

15 A. From and after May 31 through September 30 of each year, all  
16 gasoline ~~produced and shipped to or within this state and~~ sold or offered  
17 for sale for use in motor vehicles in area C shall comply with ~~either~~ ONE  
18 of the following fuel reformulation options:

19 1. A gasoline that meets standards for federal phase II  
20 reformulated gasoline, as provided in 40 Code of Federal Regulations  
21 ~~section 80.41, paragraphs (e) through (h)~~ SECTIONS 1090.200 THROUGH  
22 1090.295, in effect on ~~January 1, 1999, except that the minimum oxygen~~  
23 ~~content standard does not apply~~ DECEMBER 4, 2020. The gasoline shall also  
24 meet the maximum vapor pressure requirements in section 3-3434, subsection  
25 ~~D~~ F.

26 2. A GASOLINE THAT MEETS STANDARDS FOR California phase ~~2~~ 3  
27 reformulated gasoline, including alternative formulations allowed by the  
28 predictive model, as adopted by the California air resources board  
29 pursuant to California Code of Regulations title 13, sections 2261 through  
30 2262.7 and 2265, in effect on ~~January 1, 1997, except that the minimum~~  
31 ~~oxygen content standard does not apply. The gasoline shall also meet the~~  
32 ~~maximum vapor pressure requirements in section 3-3434, subsection D~~  
33 FEBRUARY 16, 2014.

34 3. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT  
35 MEETS STANDARDS FOR CALIFORNIA PHASE 3 REFORMULATED GASOLINE, INCLUDING  
36 ALTERNATIVE FORMULATIONS ALLOWED BY THE PREDICTIVE MODEL, AS ADOPTED BY  
37 THE CALIFORNIA AIR RESOURCES BOARD PURSUANT TO CALIFORNIA CODE OF  
38 REGULATIONS TITLE 13, SECTIONS 2261 THROUGH 2262.7 AND 2265, IN EFFECT ON  
39 FEBRUARY 16, 2014.

40 4. NOTWITHSTANDING SECTION 3-3433, SUBSECTION D, A GASOLINE THAT  
41 MEETS STANDARDS FOR FEDERAL PHASE II REFORMULATED GASOLINE, AS PROVIDED IN  
42 40 CODE OF FEDERAL REGULATIONS SECTIONS 1090.200 THROUGH 1090.295, IN  
43 EFFECT ON DECEMBER 4, 2020.

1           5. A GASOLINE OR GASOLINE BLEND THAT MEETS ANY OF THE STANDARDS  
2 PRESCRIBED BY THIS SUBSECTION OR APPROVED FOR USE BY THE UNITED STATES  
3 ENVIRONMENTAL PROTECTION AGENCY.

4           B. Any registered supplier or oxygenate blender, as defined in  
5 division rules, OR THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE  
6 HOUSE OF REPRESENTATIVES JOINTLY may petition the associate director to  
7 request that all ~~registered suppliers or oxygenate blenders~~ RETAIL SELLERS  
8 be allowed to ~~supply~~ SELL OR OFFER FOR SALE gasoline FOR USE IN MOTOR  
9 VEHICLES in area C that does not meet the standards in subsection A of  
10 this section if the petitioner demonstrates that a ~~shortage in the~~  
11 REGISTERED SUPPLIER'S OR OXYGENATE BLENDER'S, AS DEFINED IN DIVISION  
12 RULES, ABILITY TO supply ~~of~~ gasoline ~~meeting~~ THAT MEETS the standards in  
13 subsection A of this section is IN imminent DANGER AND MAY RESULT IN  
14 SUPPLY SHORTAGES OF GASOLINE IN AREA C. IF A REGISTERED SUPPLIER OR  
15 OXYGENATE BLENDER, AS DEFINED IN DIVISION RULES, SUBMITS A PETITION  
16 PURSUANT TO THIS SECTION, THE REGISTERED SUPPLIER OR OXYGENATE BLENDER  
17 SHALL PROVIDE NOTICE AND A COPY OF THE PETITION TO THE PRESIDENT OF THE  
18 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

19           C. A petition under subsection B of this section shall:

20           ~~1. Identify specific supply conditions that will result in a~~  
21 ~~shortage of gasoline meeting the standards in subsection A of this~~  
22 ~~section.~~

23           ~~2.~~ 1. Identify the formulation of gasoline that THE PETITIONER OR  
24 REGISTERED SUPPLIERS OR OXYGENATE BLENDERS, AS DEFINED IN DIVISION RULES,  
25 will ~~be sold~~ SELL in area C in lieu of gasoline meeting the standards in  
26 subsection A of this section.

27           ~~3.~~ 2. Specify a PROJECTED time period for compliance with the  
28 standards of subsection A of this section not to exceed sixty days.

29           D. The associate director shall either grant or deny a petition  
30 under subsection B of this section in writing within seven days of its  
31 receipt. Any decision by the associate director to grant the petition  
32 shall be equally applicable to all registered suppliers or oxygenate  
33 blenders and shall not be selectively applied to any single registered  
34 supplier or oxygenate blender. The petition may be granted only if the  
35 associate director verifies that the basis for requesting the petition is  
36 factual.

37           E. The associate director may reauthorize a petition granted under  
38 subsection B of this section if the petitioner demonstrates that the  
39 conditions identified in the petition have continued. The reauthorization  
40 of a petition shall not exceed thirty days.

41           F. The associate director of the division shall consult with the  
42 director of the department of environmental quality before granting,  
43 reauthorizing or denying any petition under subsection B of this section.

44           G. The associate director, in consultation with the director of the  
45 department of environmental quality, shall adopt by rule:

1           1. Requirements to implement subsections A, B and C of this  
2 section.

3           2. Requirements for recordkeeping, reporting and analytical methods  
4 for fuel providers to demonstrate compliance with subsection A of this  
5 section.

6           H. This section does not apply to fuel sold for use at a motor  
7 vehicle manufacturer proving ground or at a motor vehicle racing event.

8           Sec. 5. Title 3, chapter 19, article 6, Arizona Revised Statutes,  
9 is amended by adding section 3-3499, to read:

10           3-3499. Fuel reformulations; petition

11           THE PRESIDENT OF THE SENATE OR THE SPEAKER OF THE HOUSE OF  
12 REPRESENTATIVES MAY PETITION THE ASSOCIATE DIRECTOR TO REQUEST ANY  
13 RETAILER SELLER BE ALLOWED TO SELL OR OFFER FOR SALE ANY GASOLINE  
14 FORMULATIONS IN AREA A OR AREA C THAT DO NOT MEET THE STANDARDS PRESCRIBED  
15 BY SECTION 3-3492, 3-3493 OR 3-3494.

16           Sec. 6. Submission to United States environmental protection  
17 agency; partial rejection; resubmission

18           A. Within thirty days of the effective date of this act, the  
19 director of the department of environmental quality shall submit the  
20 proposed modifications to the gasoline fuel formulation requirements as  
21 provided in Laws 2017, chapter 295 and this act as part of the state  
22 implementation plan for air quality to the United States environmental  
23 protection agency for review and approval. If the United States  
24 environmental protection agency rejects a portion of the fuel formulations  
25 authorized by Laws 2017, chapter 295 and this act, before notifying the  
26 director of the Arizona legislative council that the condition has not  
27 been met the department of environmental quality shall resubmit the  
28 proposed modifications to the gasoline fuel formulations to the United  
29 States environmental protection agency authorized by this act that were  
30 not rejected to the United States environmental protection agency for  
31 approval.

32           B. Initial rejection of the gasoline formulations authorized by  
33 this act by the United States environmental protection agency does not  
34 constitute the condition provided in section 7 of this act not being met  
35 or does not prohibit the department of environmental quality from  
36 resubmitting the gasoline formulations pursuant to subsection A of this  
37 section.

38           Sec. 7. Conditional enactment; notice

39           A. Section 3-3493, Arizona Revised Statutes, as amended by Laws  
40 2016, chapter 232, section 27 and this act, and section 3-3494, Arizona  
41 Revised Statutes, as amended by this act, do not become effective unless  
42 on or before July 1, 2025 the United States environmental protection  
43 agency approves the proposed modifications to the gasoline fuel  
44 formulation requirements as part of the state implementation plan for air  
45 quality.

1           B. Section 3-3493, Arizona Revised Statutes, as amended by Laws  
2 2017, chapter 295, section 2 and this act, does not become effective  
3 unless the condition prescribed by Laws 2017, chapter 295, section 3, as  
4 amended by Laws 2022, chapter 177, section 12, is met and on or before  
5 July 1, 2025 the United States environmental protection agency approves  
6 the additional proposed modifications to the gasoline fuel formulation  
7 requirements in this act as part of the state implementation plan for air  
8 quality.

9           C. The director of the department of environmental quality shall  
10 notify the director of the Arizona legislative council in writing on or  
11 before October 1, 2025 either:

12           1. Of the date on which the condition prescribed by subsection A or  
13 B of this section was met.

14           2. That neither condition was met.