

House Engrossed

petition; waiver; fuel formulations

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# HOUSE BILL 2145

AN ACT

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; 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 3-3493, Arizona Revised Statutes, as amended by  
3 Laws 2016, chapter 232, section 27, is amended to read:

4 3-3493. Area A; fuel reformulation; rules

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

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

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

26 B. For the period beginning November 1 through March 31 of each  
27 year, all gasoline produced and shipped to or within this state and sold  
28 or offered for sale for use in motor vehicles in a county with a  
29 population of one million two hundred thousand or more persons and any  
30 portion of a county contained in area A, subject to an appropriate waiver  
31 granted by the administrator of the United States environmental protection  
32 agency pursuant to section 211(c)(4) of the clean air act as defined in  
33 section 49-401.01, shall comply with standards for California phase 2  
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 January 1, 1997 and shall meet the maximum  
38 vapor pressure requirements in section 3-3433, subsections D and F. The  
39 fuel described in this subsection shall meet the requirements of section  
40 3-3492, subsection A, paragraph 1.

41 C. Any registered supplier or oxygenate blender, as defined in  
42 division rules, may petition the associate director **OR BOTH THE PRESIDENT**  
43 **OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES** to request  
44 that all registered suppliers or oxygenate blenders be allowed to comply  
45 with standards other than the standards prescribed by section 3-3492,

1 subsection A if the petitioner can demonstrate that ethanol supply  
2 shortages are imminent.

3 D. The petition shall:

4 1. Identify specific supply conditions that will result in a  
5 shortage of ethanol.

6 2. Identify which oxygenate or oxygenates and the concentration  
7 that will be blended into gasoline for sale or use in area A.

8 3. Demonstrate that the alternative oxygenate blend comes closest  
9 to meeting a three and one-half percent by weight oxygen content at  
10 reasonable cost, unless the registered supplier or oxygenate blender is  
11 petitioning to use a gasoline-ethanol blend containing less than ten  
12 percent by volume of ethanol.

13 4. Specify a time period for compliance with any provision of  
14 section 3-3492, subsection A, not to exceed sixty days.

15 E. The associate director OR BOTH THE PRESIDENT OF THE SENATE AND  
16 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES shall either grant or deny the  
17 petition in writing within seven days of its receipt. Any decision by the  
18 associate director OR BOTH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF  
19 THE HOUSE OF REPRESENTATIVES to grant the petition shall be equally  
20 applicable to all registered suppliers or oxygenate blenders and shall not  
21 be selectively applied to any single registered supplier or oxygenate  
22 blender. The petition may be granted only if the associate director OR  
23 BOTH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
24 REPRESENTATIVES verifies that the basis for requesting the petition is  
25 factual.

26 F. The associate director OR BOTH THE PRESIDENT OF THE SENATE AND  
27 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES may reauthorize a petition if  
28 the petitioner can demonstrate that the conditions have continued. The  
29 reauthorization of a petition shall not exceed thirty days.

30 G. The associate director of the division shall consult with the  
31 director of the department of environmental quality before granting,  
32 reauthorizing or denying any such petition.

33 H. The director of environmental quality in consultation with the  
34 associate director of the division shall adopt by rule:

35 1. Requirements to implement subsections A, B, C and D of this  
36 section.

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

40 I. This section does not apply to fuel sold for use at a motor  
41 vehicle manufacturer proving ground or at a motor vehicle racing event.

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

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

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

25           B. For the period beginning November 1 through March 31 of each  
26 year, all gasoline produced and shipped to or within this state and sold  
27 or offered for sale for use in motor vehicles in a county with a  
28 population of one million two hundred thousand or more persons and any  
29 portion of a county contained in area A, subject to an appropriate waiver  
30 granted by the administrator of the United States environmental protection  
31 agency pursuant to section 211(c)(4) of the clean air act as defined in  
32 section 49-401.01, shall comply with standards for California phase 2  
33 reformulated gasoline, including alternative formulations allowed by the  
34 predictive model, as adopted by the California air resources board  
35 pursuant to California Code of Regulations title 13, sections 2261 through  
36 2262.7 and 2265, in effect on January 1, 1997 and shall meet the maximum  
37 vapor pressure requirements in section 3-3433, subsections D and F. The  
38 fuel described in this subsection shall meet the requirements of section  
39 3-3492, subsection A, paragraph 1 or 2.

40           C. Any registered supplier or oxygenate blender, as defined in  
41 division rules, may petition the associate director **OR BOTH THE PRESIDENT**  
42 **OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES** to request  
43 that all registered suppliers or oxygenate blenders be allowed to comply  
44 with standards other than the standards prescribed by section 3-3492,

1 subsection A if the petitioner can demonstrate that ethanol supply  
2 shortages are imminent.

3 D. The petition shall:

4 1. Identify specific supply conditions that will result in a  
5 shortage of ethanol.

6 2. Identify which oxygenate or oxygenates and the concentration  
7 that will be blended into gasoline for sale or use in area A.

8 3. Demonstrate that the alternative oxygenate blend comes closest  
9 to meeting a three and one-half percent by weight oxygen content at  
10 reasonable cost, unless the registered supplier or oxygenate blender is  
11 petitioning to use a gasoline-ethanol blend containing less than ten  
12 percent by volume of ethanol.

13 4. Specify a time period for compliance with any provision of  
14 section 3-3492, subsection A, not to exceed sixty days.

15 E. The associate director OR BOTH THE PRESIDENT OF THE SENATE AND  
16 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES shall either grant or deny the  
17 petition in writing within seven days of its receipt. Any decision by the  
18 associate director OR BOTH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF  
19 THE HOUSE OF REPRESENTATIVES to grant the petition shall be equally  
20 applicable to all registered suppliers or oxygenate blenders and shall not  
21 be selectively applied to any single registered supplier or oxygenate  
22 blender. The petition may be granted only if the associate director OR  
23 BOTH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
24 REPRESENTATIVES verifies that the basis for requesting the petition is  
25 factual.

26 F. The associate director OR BOTH THE PRESIDENT OF THE SENATE AND  
27 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES may reauthorize a petition if  
28 the petitioner can demonstrate that the conditions have continued. The  
29 reauthorization of a petition shall not exceed thirty days.

30 G. The associate director of the division shall consult with the  
31 director of the department of environmental quality before granting,  
32 reauthorizing or denying any such petition.

33 H. The director of environmental quality in consultation with the  
34 associate director of the division shall adopt by rule:

35 1. Requirements to implement subsections A, B, C and D of this  
36 section.

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

40 I. This section does not apply to fuel sold for use at a motor  
41 vehicle manufacturer proving ground or at a motor vehicle racing event.

1           Sec. 3. Section 3-3494, Arizona Revised Statutes, is amended to  
2 read:

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

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

8           1. A gasoline that meets standards for federal phase II  
9 reformulated gasoline, as provided in 40 Code of Federal Regulations  
10 section 80.41, paragraphs (e) through (h), in effect on January 1, 1999,  
11 except that the minimum oxygen content standard does not apply. The  
12 gasoline shall also meet the maximum vapor pressure requirements in  
13 section 3-3434, subsection D.

14           2. California phase 2 reformulated gasoline, including alternative  
15 formulations allowed by the predictive model, as adopted by the California  
16 air resources board pursuant to California Code of Regulations title 13,  
17 sections 2261 through 2262.7 and 2265, in effect on January 1, 1997,  
18 except that the minimum oxygen content standard does not apply. The  
19 gasoline shall also meet the maximum vapor pressure requirements in  
20 section 3-3434, subsection D.

21           B. Any registered supplier or oxygenate blender, as defined in  
22 division rules, may petition the associate director **OR BOTH THE PRESIDENT**  
23 **OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES** to request  
24 that all registered suppliers or oxygenate blenders be allowed to supply  
25 gasoline in area C that does not meet the standards in subsection A of  
26 this section if the petitioner demonstrates that a shortage in the supply  
27 of gasoline meeting the standards in subsection A of this section is  
28 imminent.

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

30           1. Identify specific supply conditions that will result in a  
31 shortage of gasoline meeting the standards in subsection A of this  
32 section.

33           2. Identify the formulation of gasoline that will be sold in area C  
34 in lieu of gasoline meeting the standards in subsection A of this section.

35           3. Specify a time period for compliance with the standards of  
36 subsection A of this section not to exceed sixty days.

37           D. The associate director **OR BOTH THE PRESIDENT OF THE SENATE AND**  
38 **THE SPEAKER OF THE HOUSE OF REPRESENTATIVES** shall either grant or deny a  
39 petition under subsection B of this section in writing within seven days  
40 of its receipt. Any decision by the associate director **OR BOTH THE**  
41 **PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES** to  
42 grant the petition shall be equally applicable to all registered suppliers  
43 or oxygenate blenders and shall not be selectively applied to any single  
44 registered supplier or oxygenate blender. The petition may be granted only  
45 if the associate director **OR BOTH THE PRESIDENT OF THE SENATE AND THE**

1 SPEAKER OF THE HOUSE OF REPRESENTATIVES verifies that the basis for  
2 requesting the petition is factual.

3 E. The associate director OR BOTH THE PRESIDENT OF THE SENATE AND  
4 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES may reauthorize a petition  
5 granted under subsection B of this section if the petitioner demonstrates  
6 that the conditions identified in the petition have continued. The  
7 reauthorization of a petition shall not exceed thirty days.

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

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

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

15 2. Requirements for recordkeeping, reporting and analytical methods  
16 for fuel providers to demonstrate compliance with subsection A of this  
17 section.

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

20 Sec. 4. Conditional enactment

21 Section 3-3493, Arizona Revised Statutes, as amended by Laws 2017,  
22 chapter 295, section 2 and this act, does not become effective unless the  
23 condition prescribed by Laws 2017, chapter 295, section 3, as amended by  
24 Laws 2022, chapter 177, section 12 and Laws 2024, chapter 70, section 1,  
25 is met.