

SHB 1606 - H AMD 955

By Representative Liias

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that in 2006 the
4 state of Washington made a commitment to ensure market access for
5 alternative fuels. As a result, significant public and private
6 investments were made to develop in-state feedstock production, oilseed
7 crushing capacity, and biodiesel production and distribution
8 infrastructure. It is the intent of the legislature to strengthen the
9 existing renewable fuel standard to ensure Washington follows through
10 on its commitments, to encourage the continued growth of agricultural
11 feedstock markets from oilseeds and food by-products, to create
12 manufacturing jobs in both rural and urban Washington communities, and
13 to make further strides toward energy independence.

14 (2) It is the intent of the legislature to strengthen the existing
15 renewable fuel standard to ensure Washington follows through on its
16 commitments, to encourage the continued growth of agricultural
17 feedstock markets from oilseeds and food by-products, to create
18 manufacturing jobs in both rural and urban Washington communities, and
19 to make further strides toward energy independence.

20 **Sec. 2.** RCW 19.112.020 and 2010 c 96 s 1 are each amended to read
21 as follows:

22 (1) This chapter shall be administered by the director or (~~his or~~
23 ~~her~~) the director's authorized agent. (~~For the purpose of~~
24 ~~administering this chapter, for motor fuel except biodiesel fuel,~~)

25 (2)(a) The director shall adopt rules for maintaining standards for
26 motor fuel. The rules may include:

27 (i) All or part of the standards set forth in the Annual Book of
28 ASTM Standards and supplements (~~thereto, and~~), ~~amendments, or~~
29 revisions thereof(~~, are adopted, together with~~);

1 (ii) All or part of the standards set forth in the national
2 institute of standards and technology (NIST) handbook 130, uniform laws
3 and regulations in the areas of legal metrology and engine fuel quality
4 rules, and any supplements, amendments, or revisions thereof; and

5 (iii) Any applicable federal environmental protection agency
6 standards.

7 (b) If a conflict exists between federal environmental protection
8 agency standards, ASTM standards, NIST standards, or state standards,
9 for purposes of uniformity, federal environmental protection agency
10 standards shall take precedence over ASTM and NIST standards. Any
11 state standards adopted must be consistent with federal environmental
12 protection agency standards and ASTM and NIST standards not in conflict
13 with the federal environmental protection agency standards.

14 ~~((+2))~~ (3) The director may establish a fuel testing laboratory or
15 may contract with a laboratory for testing.

16 (4) The director may ~~((also))~~ adopt rules on false and misleading
17 advertising, labeling and posting of prices, and the standards for, and
18 identity of, motor fuels. The director ~~((shall))~~ may require fuel
19 pumps offering an ethanol blend to be identified by a label stating the
20 percentage of ethanol and fuel pumps offering a biodiesel blend ~~((of up~~
21 ~~to and including five percent to be identified by a label that states~~
22 ~~"may contain up to five percent biodiesel." Biodiesel blends above~~
23 ~~five percent shall be identified by a label stating the percentage of~~
24 ~~biodiesel being offered))~~ to be identified by a label stating the
25 percentage of biodiesel.

26 ~~((3) The rules adopted under RCW 19.112.140 shall also provide~~
27 ~~that the diesel refiner is responsible for meeting the ASTM standards~~
28 ~~required by chapter 338, Laws of 2006 when providing diesel fuel into~~
29 ~~the distribution system.))~~

30 **Sec. 3.** RCW 19.112.110 and 2009 c 132 s 2 are each amended to read
31 as follows:

32 (1) ~~((Special fuel licensees under chapter 82.38 RCW, other than~~
33 ~~international fuel tax agreement licensees, dyed special fuel users,~~
34 ~~and special fuel distributors, shall provide evidence to the department~~
35 ~~of licensing that at least two percent of the total annual diesel fuel~~
36 ~~sold in Washington is biodiesel or renewable diesel fuel, following the~~
37 ~~earlier of: (a) November 30, 2008; or (b) when a determination is made~~

1 ~~by the director, published in the Washington State Register, that~~
2 ~~feedstock grown in Washington state can satisfy a two percent~~
3 ~~requirement)) Beginning October 1, 2012, all diesel fuel sold or~~
4 ~~offered for sale in Washington for use in motor vehicles must contain~~
5 ~~at least two percent biodiesel fuel or renewable diesel fuel by volume.~~

6 (2) ~~((Special fuel licensees under chapter 82.38 RCW, other than~~
7 ~~international fuel tax agreement licensees, dyed special fuel users,~~
8 ~~and special fuel distributors, shall provide evidence to the department~~
9 ~~of licensing that at least five percent of total annual diesel fuel~~
10 ~~sold in Washington is biodiesel or renewable diesel fuel, when the~~
11 ~~director determines, and publishes this determination in the Washington~~
12 ~~State Register, that both in-state oil seed crushing capacity and~~
13 ~~feedstock grown in Washington state can satisfy a three percent~~
14 ~~requirement)) Beginning sixty days after the director determines that~~
15 ~~production of biodiesel fuel in this state from feedstock grown or~~
16 ~~produced in Washington has reached a level of at least fifteen million~~
17 ~~gallons over the preceding twelve months, all diesel fuel sold or~~
18 ~~offered for sale in Washington for use in motor vehicles must contain~~
19 ~~at least five percent biodiesel fuel or renewable diesel fuel by~~
20 ~~volume.~~

21 (3) ~~((The requirements of subsections (1) and (2) of this section~~
22 ~~shall take effect no sooner than one hundred eighty days after the~~
23 ~~determination has been published in the Washington State Register.~~

24 (4) ~~The director and the director of licensing shall each adopt~~
25 ~~rules, in coordination with each other, for enforcing and carrying out~~
26 ~~the purposes of this section.)) After July 1, 2020, the director shall~~
27 ~~review the requirements of this section and make a recommendation to~~
28 ~~the legislature whether the minimum renewable fuel content requirement~~
29 ~~should be extended to other diesel fuel sold or offered for sale in~~
30 ~~Washington.~~

31 (4) The director may adopt rules to implement this section.

32 (5) The requirements of this section do not apply to fuel sold or
33 ~~offered for sale for use by a diesel-fueled generator used to support~~
34 ~~a nuclear power generation facility operated by a joint operating~~
35 ~~agency in the state.~~

36 **Sec. 4.** RCW 19.112.060 and 2011 c 96 s 20 are each amended to read
37 as follows:

1 (1)(a) Any person who knowingly violates any provision of this
2 chapter or rules adopted under it is guilty of a misdemeanor and, upon
3 conviction, shall be punished by a fine of not more than one thousand
4 dollars or imprisonment for up to three hundred sixty-four days, or
5 both.

6 (b) The director shall assess a civil penalty ranging from one
7 hundred dollars to ten thousand dollars per occurrence, giving due
8 consideration to the appropriateness of the penalty with respect to the
9 gravity of the violation, and the history of previous violations.
10 Civil penalties collected under this chapter shall be deposited into
11 the motor vehicle fund.

12 (2) The penalties in subsection (1)(a) of this section do not apply
13 to violations of RCW 19.112.110 (~~and 19.112.120~~).

14 (3)(a) The civil penalties in subsection (1)(b) of this section may
15 not be assessed for violations of RCW 19.112.110 until the director of
16 the department of enterprise services reports to the governor and the
17 legislature, as required under RCW 43.19.646, that state fuel contract
18 purchases by state agencies are meeting the requirements of RCW
19 43.19.642.

20 (b) If state agency usage, as reported by the director of the
21 department of enterprise services under RCW 43.19.646, falls below the
22 minimum requirements of RCW 43.19.642, the civil penalties in
23 subsection (1)(b) of this section may not be assessed for violations of
24 RCW 19.112.110 until the director of the department of enterprise
25 services reports to the governor and the legislature that state fuel
26 contract purchases by state agencies are meeting the requirements of
27 RCW 43.19.642.

28 **Sec. 5.** RCW 19.112.160 and 2006 c 338 s 11 are each amended to
29 read as follows:

30 The governor, by executive order, may suspend all or portions of
31 the minimum renewable fuel content requirements in RCW 19.112.110 or
32 (~~19.112.120, or~~) 43.19.642, based on a determination that such
33 requirements are temporarily technically or economically infeasible, or
34 pose a significant risk to public safety.

35 **Sec. 6.** RCW 19.112.900 and 1990 c 102 s 11 are each amended to
36 read as follows:

1 ((RCW 19.112.005 through 19.112.080 shall constitute a new chapter
2 in Title 19 RCW and)) This chapter may be cited as the motor fuel
3 quality act.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 19.112 RCW
5 to read as follows:

6 (1) Each biodiesel producer in Washington must keep records
7 documenting the quantity of biodiesel produced and the quantity of
8 biodiesel produced from agricultural and nonagricultural feedstock
9 grown or produced in Washington. Biodiesel production information must
10 be provided to the department of agriculture on a form prescribed by
11 the director.

12 (2) The director shall have access to the records at any reasonable
13 time for the purpose of carrying out this chapter.

14 (3) The director may adopt rules to implement this section.

15 (4) Failure to maintain records or to submit production information
16 to the department of agriculture is a violation of this chapter.

17 (5) Information that can be identified to a particular business and
18 that is collected under this section is exempt from public disclosure
19 under chapter 42.56 RCW.

20 **Sec. 8.** RCW 42.56.270 and 2011 1st sp.s. c 14 s 15 are each
21 amended to read as follows:

22 The following financial, commercial, and proprietary information is
23 exempt from disclosure under this chapter:

24 (1) Valuable formulae, designs, drawings, computer source code or
25 object code, and research data obtained by any agency within five years
26 of the request for disclosure when disclosure would produce private
27 gain and public loss;

28 (2) Financial information supplied by or on behalf of a person,
29 firm, or corporation for the purpose of qualifying to submit a bid or
30 proposal for (a) a ferry system construction or repair contract as
31 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
32 or improvement as required by RCW 47.28.070;

33 (3) Financial and commercial information and records supplied by
34 private persons pertaining to export services provided under chapters
35 43.163 and 53.31 RCW, and by persons pertaining to export projects
36 under RCW 43.23.035;

1 (4) Financial and commercial information and records supplied by
2 businesses or individuals during application for loans or program
3 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
4 43.168 RCW, or during application for economic development loans or
5 program services provided by any local agency;

6 (5) Financial information, business plans, examination reports, and
7 any information produced or obtained in evaluating or examining a
8 business and industrial development corporation organized or seeking
9 certification under chapter 31.24 RCW;

10 (6) Financial and commercial information supplied to the state
11 investment board by any person when the information relates to the
12 investment of public trust or retirement funds and when disclosure
13 would result in loss to such funds or in private loss to the providers
14 of this information;

15 (7) Financial and valuable trade information under RCW 51.36.120;

16 (8) Financial, commercial, operations, and technical and research
17 information and data submitted to or obtained by the clean Washington
18 center in applications for, or delivery of, program services under
19 chapter 70.95H RCW;

20 (9) Financial and commercial information requested by the public
21 stadium authority from any person or organization that leases or uses
22 the stadium and exhibition center as defined in RCW 36.102.010;

23 (10)(a) Financial information, including but not limited to account
24 numbers and values, and other identification numbers supplied by or on
25 behalf of a person, firm, corporation, limited liability company,
26 partnership, or other entity related to an application for a horse
27 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
28 license, gambling license, or lottery retail license;

29 (b) Internal control documents, independent auditors' reports and
30 financial statements, and supporting documents: (i) Of house-banked
31 social card game licensees required by the gambling commission pursuant
32 to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes
33 with an approved tribal/state compact for class III gaming;

34 (11) Proprietary data, trade secrets, or other information that
35 relates to: (a) A vendor's unique methods of conducting business; (b)
36 data unique to the product or services of the vendor; or (c)
37 determining prices or rates to be charged for services, submitted by

1 any vendor to the department of social and health services for purposes
2 of the development, acquisition, or implementation of state purchased
3 health care as defined in RCW 41.05.011;

4 (12)(a) When supplied to and in the records of the department of
5 commerce:

6 (i) Financial and proprietary information collected from any person
7 and provided to the department of commerce pursuant to RCW
8 43.330.050(8); and

9 (ii) Financial or proprietary information collected from any person
10 and provided to the department of commerce or the office of the
11 governor in connection with the siting, recruitment, expansion,
12 retention, or relocation of that person's business and until a siting
13 decision is made, identifying information of any person supplying
14 information under this subsection and the locations being considered
15 for siting, relocation, or expansion of a business;

16 (b) When developed by the department of commerce based on
17 information as described in (a)(i) of this subsection, any work product
18 is not exempt from disclosure;

19 (c) For the purposes of this subsection, "siting decision" means
20 the decision to acquire or not to acquire a site;

21 (d) If there is no written contact for a period of sixty days to
22 the department of commerce from a person connected with siting,
23 recruitment, expansion, retention, or relocation of that person's
24 business, information described in (a)(ii) of this subsection will be
25 available to the public under this chapter;

26 (13) Financial and proprietary information submitted to or obtained
27 by the department of ecology or the authority created under chapter
28 70.95N RCW to implement chapter 70.95N RCW;

29 (14) Financial, commercial, operations, and technical and research
30 information and data submitted to or obtained by the life sciences
31 discovery fund authority in applications for, or delivery of, grants
32 under chapter 43.350 RCW, to the extent that such information, if
33 revealed, would reasonably be expected to result in private loss to the
34 providers of this information;

35 ~~(15) ((Financial and commercial information provided as evidence to
36 the department of licensing as required by RCW 19.112.110 or
37 19.112.120, except information disclosed in aggregate form that does
38 not permit the identification of information related to individual fuel~~

1 licensees)) Biodiesel production and sales information collected under
2 RCW 19.112.110 and section 7 of this act that can be identified to a
3 particular business;

4 (16) Any production records, mineral assessments, and trade secrets
5 submitted by a permit holder, mine operator, or landowner to the
6 department of natural resources under RCW 78.44.085;

7 (17)(a) Farm plans developed by conservation districts, unless
8 permission to release the farm plan is granted by the landowner or
9 operator who requested the plan, or the farm plan is used for the
10 application or issuance of a permit;

11 (b) Farm plans developed under chapter 90.48 RCW and not under the
12 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to
13 RCW 42.56.610 and 90.64.190;

14 (18) Financial, commercial, operations, and technical and research
15 information and data submitted to or obtained by a health sciences and
16 services authority in applications for, or delivery of, grants under
17 RCW 35.104.010 through 35.104.060, to the extent that such information,
18 if revealed, would reasonably be expected to result in private loss to
19 providers of this information;

20 (19) Information gathered under chapter 19.85 RCW or RCW 34.05.328
21 that can be identified to a particular business;

22 (20) Financial and commercial information submitted to or obtained
23 by the University of Washington, other than information the university
24 is required to disclose under RCW 28B.20.150, when the information
25 relates to investments in private funds, to the extent that such
26 information, if revealed, would reasonably be expected to result in
27 loss to the University of Washington consolidated endowment fund or to
28 result in private loss to the providers of this information; and

29 (21) Financial, commercial, operations, and technical and research
30 information and data submitted to or obtained by innovate Washington in
31 applications for, or delivery of, grants and loans under chapter 43.333
32 RCW, to the extent that such information, if revealed, would reasonably
33 be expected to result in private loss to the providers of this
34 information.

35 NEW SECTION. **Sec. 9.** The following acts or parts of acts are each
36 repealed:

1 (1) RCW 19.112.120 (Motor vehicle fuel licensees--Required sales of
2 denatured ethanol--Rules--Limitation of section) and 2007 c 309 s 2 &
3 2006 c 338 s 3;

4 (2) RCW 19.112.130 (Information submitted under RCW 19.112.110 or
5 19.112.120--Limitation on release) and 2006 c 338 s 4;

6 (3) RCW 19.112.140 (Standards for biodiesel fuel/fuel blended with
7 biodiesel fuel--Rules) and 2006 c 338 s 7;

8 (4) RCW 19.112.150 (Biofuels advisory committee) and 2006 c 338 s
9 9;

10 (5) RCW 19.112.170 (Determination of the supply of certain fuels--
11 Notification--Declaration concerning the applicability of RCW
12 19.112.110 or 19.112.120) and 2006 c 338 s 13;

13 (6) RCW 19.112.180 (Goals under RCW 19.112.170--Report--Executive
14 request legislation) and 2006 c 338 s 14; and

15 (7) RCW 43.19.643 (Biodiesel fuel blends--Definitions) and 2003 c
16 17 s 3."

17 Correct the title.

EFFECT: Modifies the implementation date for the renewable fuel standard for biodiesel from October 1, 2011, to October 1, 2012. Specifies that the renewable fuel standard for biodiesel applies to all diesel fuel sold or offered for sale in the state for use in motor vehicles, not just to motor vehicles upon the highways of the state. Creates an exemption from the requirement for fuel sold for use by a diesel-fueled generator used to support a nuclear power generation facility in the state. Changes reference to the department of general administration to the department of enterprise services. Provides additional intent language.

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