

# SB1630



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1630

Introduced 2/19/2009, by Sen. Michael W. Frerichs

#### SYNOPSIS AS INTRODUCED:

815 ILCS 370/3

from Ch. 5, par. 1703

815 ILCS 370/4.2 new

Amends the Motor Fuel and Petroleum Standards Act. Requires a supplier that imports gasoline into the State to offer for sale to a distributor or retailer gasoline that is not preblended with fuel alcohol and that is suitable for subsequent blending with fuel alcohol. Further provides that any contract provision that would restrict or prevent a distributor from blending gasoline with fuel alcohol or from qualifying for any federal or State tax credit due to blenders is contrary to public policy and void. Makes other changes. Effective January 1, 2010.

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FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Motor Fuel and Petroleum Standards Act is  
5 amended by changing Section 3 and by adding Section 4.2 as  
6 follows:

7 (815 ILCS 370/3) (from Ch. 5, par. 1703)

8 Sec. 3. As used in this Act, unless the context otherwise  
9 requires:

10 (1) "ASTM" means the American Society for Testing and  
11 Materials, an international, nonprofit, technical, scientific  
12 and educational society devoted to the promotion of knowledge  
13 of the materials of engineering, and the standardization of  
14 specifications and methods of testing.

15 (2) "Motor Fuel" shall have the meaning ascribed to that  
16 term in Section 1.1 of the "Motor Fuel Tax Law", as now or  
17 hereafter amended.

18 (3) "Petroleum" means all illuminating oils, heating oils,  
19 LP gas, kerosene, gasoline, diesel and all volatile and  
20 inflammable liquids produced, blended or compounded for the  
21 purpose of, or which are suitable or practicable for, operating  
22 motor vehicles.

23 (4) "Department" means the Illinois Department of

1 Agriculture.

2 (5) "Person" means an individual, a corporation, company,  
3 society, association, partnership or governmental entity.

4 (6) "Distributor" shall have the meaning ascribed to that  
5 term in Section 1.2 of the "Motor Fuel Tax Law", as now or  
6 hereafter amended, and any person who either produces, refines,  
7 blends, transports, compounds or manufactures petroleum in  
8 this State for the purposes of resale.

9 (7) "Director" means the Director of the Illinois  
10 Department of Agriculture or authorized designee.

11 (8) "Retailer" shall have the meaning ascribed to that term  
12 in Section 2 of the "Use Tax Act", as now or hereafter amended  
13 and any person engaged in the business of selling petroleum  
14 directly to the ultimate consumer.

15 (9) "Co-solvent" means an alcohol that is miscible with  
16 methanol and has a molecular weight equal to or greater than  
17 that of butanol.

18 (10) "Blender" shall have the meaning ascribed to that term  
19 by Section 1.6 of the Motor Fuel Tax Law.

20 (11) "Fuel Alcohol" means alcohol, methanol, or fuel grade  
21 ethanol.

22 (12) "Gasoline" shall have the meaning ascribed to that  
23 term by Section 10 of the Illinois Renewable Fuels Development  
24 Program Act.

25 (13) "Supplier" shall have the meaning ascribed to that  
26 term by Section 1.14 of the Motor Fuel Tax Law.

1       (14) "Terminal Track" shall have the meaning ascribed to  
2 that term by Section 1.23 of the Motor Fuel Tax Law.

3       (Source: P.A. 86-232.)

4       (815 ILCS 370/4.2 new)

5       Sec. 4.2. Availability of gasoline suitable for blending  
6 with fuel alcohol; blender of record.

7       (a) A supplier that imports gasoline into the State shall  
8 offer gasoline for sale to a distributor or retailer that is  
9 not preblended with fuel alcohol and that is suitable for  
10 subsequent blending with fuel alcohol.

11       (b) The General Assembly finds that the use of blended  
12 fuels reduces dependence on imported oil and is therefore in  
13 the public interest. The General Assembly further finds that  
14 gasoline may be blended with fuel alcohol below the terminal  
15 rack by distributors and retailers as well as above the  
16 terminal rack by suppliers and that there is no reason to  
17 restrict or prevent blending by suppliers, distributors, or  
18 retailers. Therefore, any provision of any contract that would  
19 restrict or prevent a distributor or retailer from blending  
20 gasoline with fuel alcohol or from qualifying for any federal  
21 of State tax credit due to blenders is contrary to public  
22 policy and is void. This subsection does not impair the  
23 obligation of existing contracts, but does apply if such  
24 contract is modified, amended, or renewed.

25       Section 99. Effective date. This Act takes effect January

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1 1, 2010.