

HOUSE BILL No. 1315

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-2-18-334.5; IC 16-44-2.

Synopsis: Testing of special fuel and natural gas. Requires the state department of health to inspect and test special fuel in the same manner that the department inspects and tests gasoline and kerosene.

Effective: July 1, 2015.

Frye R

January 13, 2015, read first time and referred to Committee on Public Health.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1315

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 16-2-18-334.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2015]: **Sec. 334.5. "Special fuel", for**
4 **purposes of IC 16-44-2, has the meaning set forth in IC 16-44-2-4.5.**
5 SECTION 2. IC 16-44-2-3 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) As used in this
7 chapter, "petroleum products" includes the following:
8 (1) Gasoline.
9 (2) Naphtha.
10 (3) Kerosene.
11 (4) Distillate.
12 (5) Fuel oil.
13 **(6) Special fuel.**
14 ~~(7)~~ **(7)** Similar petroleum products, regardless of name, including
15 benzol and other similar products that are or may be used in the



1 blending of motor fuel.

2 (b) The term does not include the following:

3 (1) Lubricating oils.

4 (2) Any product having:

5 (A) a Saybolt universal viscosity at one hundred (100) degrees
6 Fahrenheit of at least seventy (70) seconds; and

7 (B) a flash point of at least one hundred fifty (150) degrees
8 Fahrenheit by the ASTM method.

9 SECTION 3. IC 16-44-2-4 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) The state
11 department or any authorized agent of the state department may inspect
12 samples of gasoline, **special fuel**, or kerosene stored in any tank:

13 (1) that is adjacent to a refinery or marine or pipeline terminal in
14 Indiana; and

15 (2) from which withdrawals are made for sale or use in Indiana or
16 for transportation to destinations in Indiana other than
17 transportation to other refineries or terminals in Indiana.

18 (b) Gasoline, **special fuel**, or kerosene inspected under subsection
19 (a) is subject to the inspection fee specified in ~~section~~ **sections 18 and**
20 **18.5** of this chapter whenever the stock in the tank is replenished.

21 SECTION 4. IC 16-44-2-4.5 IS ADDED TO THE INDIANA CODE
22 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
23 1, 2015]: **Sec. 4.5. As used in this chapter, "special fuel" has the**
24 **meaning set forth in IC 6-6-2.5-22, except that the term does not**
25 **include kerosene.**

26 SECTION 5. IC 16-44-2-5 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The state
28 department or any authorized agent of the state department may inspect
29 samples of gasoline, **special fuel**, or kerosene imported into Indiana
30 other than that placed in storage at refineries or marine or pipeline
31 terminals in Indiana.

32 (b) Gasoline, **special fuel**, or kerosene inspected under subsection
33 (a) is subject to the inspection fee specified in ~~section~~ **sections 18 and**
34 **18.5** of this chapter.

35 (c) A person who receives gasoline, **special fuel**, or kerosene:

36 (1) that is imported into Indiana (other than that placed in storage
37 at refineries or marine or pipeline terminals in Indiana); and

38 (2) on which the inspection fee has not been paid;

39 shall notify the state department of the receipt of the gasoline, **special**
40 **fuel**, or kerosene.

41 SECTION 6. IC 16-44-2-6 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. The state department



1 may conduct inspections and tests on gasoline, **special fuel**, or
 2 kerosene at any place the gasoline, **special fuel**, or kerosene is offered
 3 for sale in Indiana.

4 SECTION 7. IC 16-44-2-7 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) If the state
 6 department's inspection of gasoline, **special fuel**, or kerosene under this
 7 chapter reveals that the gasoline, **special fuel**, or kerosene fails to meet
 8 the specifications prescribed by law for those products, the state
 9 department may prohibit the sale of those products.

10 (b) A person may not offer for sale any gasoline, **special fuel**, or
 11 kerosene that the state department has prohibited from sale.

12 SECTION 8. IC 16-44-2-8 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. (a) The inspections
 14 and tests made by the state department under this chapter shall be
 15 conducted in accordance with the methods outlined by the American
 16 Society for Testing and Materials (**ASTM**).

17 (b) The inspections and tests as to gasoline, gasohol, **special fuel**,
 18 and kerosene must reflect the following minimum specifications
 19 necessary for the approval of the product:

20 (1) Gasoline or gasohol:

21 (A) Corrosion Test – Method ASTM D-130. A clean copper
 22 strip may not show more than extremely slight discoloration
 23 when submerged in the gasoline for three (3) hours at one
 24 hundred twenty-two (122) degrees Fahrenheit.

25 (B) Distillation Range – Method ASTM D-86. When the
 26 thermometer reads one hundred sixty-seven (167) degrees
 27 Fahrenheit, not less than ten percent (10%) may be evaporated.
 28 When the thermometer reads two hundred eighty-four (284)
 29 degrees Fahrenheit, not less than fifty percent (50%) may be
 30 evaporated. When the thermometer reads three hundred
 31 ninety-two (392) degrees Fahrenheit, not less than ninety
 32 percent (90%) may be evaporated. The residue may not exceed
 33 two percent (2%). Percent evaporated is found by adding the
 34 distillation loss to the amount collected in the receiver at each
 35 specification temperature.

36 (C) Sulphur – Method ASTM D-1266 or D-2622. Sulphur may
 37 not exceed twenty-five hundredths of one percent (0.25%).

38 (D) Vapor Pressure – Method ASTM D-4953, ASTM D-5191,
 39 or any other ASTM method to determine vapor pressure
 40 approved by the United States Environmental Protection
 41 Agency. For gasoline, the Reid vapor pressure at one hundred
 42 (100) degrees Fahrenheit may not exceed the following:



- 1 (i) Fifteen (15) pounds per square inch at the normal
 2 barometric pressure at the point of delivery during
 3 November, December, January, February, and March.
 4 (ii) Fourteen (14) pounds per square inch during April and
 5 October.
 6 (iii) Twelve (12) pounds per square inch during May, June,
 7 July, August, and September.
 8 (E) For gasohol (a blend of gasoline and alcohol permitted
 9 under federal tax requirements), the vapor pressure may not
 10 exceed the following:
 11 (i) Sixteen (16) pounds per square inch during November,
 12 December, January, February, and March.
 13 (ii) Fifteen (15) pounds per square inch during April and
 14 October.
 15 (iii) Thirteen (13) pounds per square inch during May, June,
 16 July, August, and September.
 17 (F) After July 23, 2004, gasoline may not contain more than
 18 one-half percent (0.5%) of MTBE by volume.
 19 (2) Kerosene:
 20 (A) Flash Test – Method ASTM D-56. Flash point may not be
 21 lower than one hundred (100) degrees Fahrenheit.
 22 (B) For the purpose of this chapter, any petroleum product
 23 designated by name or reference as "kerosene" must meet the
 24 federal specifications for kerosene VV-K-211d in effect on
 25 March 1, 1977.
 26 **(3) Special fuel must meet ASTM standards as published in**
 27 **the annual Book of Standards and its supplements.**
 28 (c) Gasoline, gasohol, **special fuel**, and kerosene products that do
 29 not comply with the minimum specifications described in subsection
 30 (b) may not be sold, offered for sale, or used in Indiana.
 31 (d) Petroleum products other than gasoline, gasohol, **special fuel**,
 32 or kerosene shall be inspected and tested by the methods as are
 33 necessary to determine the contents and characteristics of the product.
 34 SECTION 9. IC 16-44-2-15 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 15. For the purposes of
 36 this chapter, gasoline, **special fuel**, or kerosene is considered to be
 37 received in Indiana as follows:
 38 (1) If stored in tanks adjacent to a refinery or a marine or pipeline
 39 terminal in Indiana, the gasoline, **special fuel**, or kerosene is
 40 considered to be received when withdrawn from storage for sale
 41 or use in Indiana or for transportation to destinations in Indiana
 42 other than for transfer to other refineries or marine or pipeline



1 terminals in Indiana and not before. When so withdrawn, the
 2 gasoline, **special fuel**, or kerosene is considered to be received by
 3 the person who is the owner of the gasoline, **special fuel**, or
 4 kerosene at the time of withdrawal unless the gasoline, **special**
 5 **fuel**, or kerosene is withdrawn for transportation or delivery to or
 6 for the account of a person who is bonded under the gasoline tax
 7 law (IC 6-6-1.1) **or the special fuel tax (IC 6-6-2.5)**, in which
 8 case the gasoline, **special fuel**, or kerosene is considered to be
 9 received by the person to or for whose account the gasoline,
 10 **special fuel**, or kerosene is transported or delivered.

11 (2) If imported into Indiana (other than to a refinery or marine or
 12 pipeline terminal in Indiana), the gasoline, **special fuel**, or
 13 kerosene is considered to be received at the time and by the
 14 person who is the owner of the gasoline, **special fuel**, or kerosene
 15 when the gasoline, **special fuel**, or kerosene is spotted or placed
 16 for unloading in Indiana.

17 (3) If produced, blended, or compounded in Indiana other than at
 18 a refinery or a marine or pipeline terminal, the gasoline, **special**
 19 **fuel**, or kerosene is considered to be received when produced,
 20 blended, or compounded.

21 SECTION 10. IC 16-44-2-17 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 17. (a) The state
 23 department shall furnish to the person for whom inspections are made
 24 under this chapter a certificate of inspection covering each receipt by
 25 that person of gasoline, **special fuel**, or kerosene with respect to which
 26 an inspection is made. The certificate must indicate the following:

- 27 (1) The date of the inspection.
 28 (2) The identity of the container from which the sample was
 29 taken.
 30 (3) The kind and quantity of the product received.
 31 (4) The identity of the conveyance by which the product was
 32 received.
 33 (5) The result of the test and inspection.

34 (b) To enable the state department to make certificates covering
 35 withdrawals from storage at a refinery or marine or pipeline terminal
 36 and the receipt of gasoline, **special fuel**, or kerosene at other points in
 37 Indiana, the records of withdrawals and receipts shall be available to
 38 the state department during all reasonable business hours.

39 SECTION 11. IC 16-44-2-18.5, AS AMENDED BY P.L.1-2006,
 40 SECTION 307, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2015]: Sec. 18.5. (a) ~~As used in this section;~~
 42 ~~"special fuel" has the meaning set forth in IC 6-6-2.5-22, except that~~



- 1 the term does not include kerosene.
- 2 ~~(b)~~ (a) Except as provided in subsection ~~(e)~~; (b), fees for the
- 3 inspection of special fuel shall be at the rate of fifty cents (\$0.50) per
- 4 barrel (fifty (50) gallons) on all special fuel sold or used in producing
- 5 or generating power for propelling motor vehicles in Indiana less
- 6 deductions provided in this section.
- 7 ~~(e)~~ (b) A fee for the inspection of special fuel may not be charged
- 8 with respect to special fuel that is exempt from the special fuel tax
- 9 under IC 6-6-2.5-30.
- 10 ~~(d)~~ (c) The fee imposed by this chapter on special fuel sold or used
- 11 in producing or generating power for propelling motor vehicles in
- 12 Indiana shall be collected and remitted to the state at the same time, by
- 13 the same person, and in accordance with the same requirements for
- 14 collection and remittance of the special fuels tax under IC 6-6-2.5-35.
- 15 ~~(e)~~ (d) Fees collected under this section shall be deposited by the
- 16 department in the underground petroleum storage tank excess liability
- 17 trust fund established by IC 13-23-7-1.
- 18 ~~(f)~~ (e) A person who receives a refund of special fuel tax under
- 19 IC 6-6-2.5 is also entitled to a refund of fees paid under this section if:
- 20 (1) the fees were paid with respect to special fuel that was used
- 21 for an exempt purpose described in IC 6-6-2.5-30; and
- 22 (2) the person submits to the department of state revenue a claim
- 23 for a refund, in the form prescribed by the department of state
- 24 revenue, that includes the following information:
- 25 (A) Any evidence requested by the department of state
- 26 revenue concerning the person's:
- 27 (i) payment of the fee imposed by this section; and
- 28 (ii) receipt of a refund of special fuel taxes from the
- 29 department of state revenue under IC 6-6-2.5.
- 30 (B) Any other information reasonably requested by the
- 31 department of state revenue.
- 32 The department of state revenue may make any investigation it
- 33 considers necessary before refunding fees to a person.

