



February 22, 2002

---

---

# ENGROSSED HOUSE BILL No. 1338

---

DIGEST OF HB 1338 (Updated February 20, 2002 4:54 PM - DI 14)

**Citations Affected:** IC 4-12; IC 16-18; IC 16-44.

**Synopsis:** Tobacco farmers and rural community impact fund. Specifies that the agricultural mentoring, entrepreneurial leadership development, and tuition and scholarship assistance components of the tobacco farmers and rural community impact fund are restricted to displaced tobacco growers whose crop production has been reduced and to children and stepchildren of such growers. Provides that after July 23, 2004, gasoline sold, offered for sale, or used in Indiana may not contain more than one-half percent by volume of methyl tertiary butyl ether (MTBE).

**Effective:** July 1, 2002.

---

---

## Lytle, Bischoff, Duncan, Goodin

(SENATE SPONSORS — SERVER, SIMPSON)

---

---

January 15, 2002, read first time and referred to Committee on Agriculture, Natural Resources and Rural Development.  
January 31, 2002, amended, reported — Do Pass.  
February 4, 2002, read second time, ordered engrossed.  
February 5, 2002, engrossed. Read third time, passed. Yeas 88, nays 5.

SENATE ACTION

February 11, 2002, read first time and referred to Committee on Agriculture and Small Business.  
February 21, 2002, amended, reported favorably — Do Pass.

---

---

C  
o  
p  
y

EH 1338—LS 7018/DI 14+



February 22, 2002

Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

## ENGROSSED HOUSE BILL No. 1338

---

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 4-12-9-3, AS AMENDED BY P.L.291-2001,  
2 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2002]: Sec. 3. (a) Subject to subsection (b), money in the fund  
4 shall be used for the following purposes:

5 (1) Agricultural grant and loan programs to assist cooperative  
6 arrangements consisting of tobacco quota owners and tobacco  
7 growers working together to transition from tobacco production  
8 to other agricultural enterprises and to assist individual tobacco  
9 quota owners and tobacco growers who are in the process of  
10 transitioning to other agricultural enterprises.

11 (2) Value-added cooperatives, incubators, and other enterprises  
12 or facilities established for the purpose of assisting tobacco quota  
13 owners and tobacco growers to capture additional revenues from  
14 non-tobacco agricultural commodities.

15 (3) Agricultural mentoring programs, entrepreneurial leadership  
16 development, and tuition and scholarships to assist displaced  
17 tobacco growers **whose tobacco crop production has been**

EH 1338—LS 7018/DI 14+



C  
O  
P  
Y

- 1           **reduced, and children and stepchildren of such displaced**  
 2           **tobacco growers,** in acquiring new training and employment  
 3           skills.  
 4           (4) Academic research to identify new transitional crop  
 5           enterprises to replace tobacco production.  
 6           (5) Market facility development for marketing current and new  
 7           crop enterprises.  
 8           (6) Administrative and planning services for local communities  
 9           and economic development entities that suffer a negative impact  
 10          from the loss of tobacco production.  
 11          (7) Establishment and operation of a regional economic  
 12          development consortium to address common problems faced by  
 13          local communities that suffer a negative impact from the loss of  
 14          tobacco production.
- 15          (b) Expenditures from the fund are subject to appropriation by the  
 16          general assembly and approval by the ~~the~~ commissioner of agriculture.  
 17          The commissioner of agriculture may not approve an expenditure from  
 18          the fund unless that expenditure has been recommended by the  
 19          advisory board established by section 4 of this chapter.
- 20          SECTION 2. IC 16-18-2-242.9 IS ADDED TO THE INDIANA  
 21          CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 22          [EFFECTIVE JULY 1, 2002]: **Sec. 242.9. "MTBE", for purposes of**  
 23          **IC 16-44-2, has the meaning set forth in IC 16-44-2-2.4.**
- 24          SECTION 3. IC 16-44-2-2.4 IS ADDED TO THE INDIANA CODE  
 25          AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY  
 26          1, 2002]: **Sec. 2.4. As used in this chapter, "MTBE" refers to the**  
 27          **gasoline additive methyl tertiary butyl ether.**
- 28          SECTION 4. IC 16-44-2-8 IS AMENDED TO READ AS  
 29          FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) The inspections  
 30          and tests made by the state department under this chapter shall be  
 31          conducted in accordance with the methods outlined by the American  
 32          Society for Testing and Materials.
- 33          (b) The inspections and tests as to gasoline, gasohol, and kerosene  
 34          must reflect the following minimum specifications necessary for the  
 35          approval of the product:
- 36                  (1) Gasoline or gasohol:
- 37                          (A) Corrosion Test † Method ASTM D-130. A clean copper  
 38                          strip may not show more than extremely slight discoloration  
 39                          when submerged in the gasoline for three (3) hours at one  
 40                          hundred twenty-two (122) degrees Fahrenheit.  
 41                          (B) Distillation Range † Method ASTM D-86. When the  
 42                          thermometer reads one hundred sixty-seven (167) degrees

C  
o  
p  
y

- 1 Fahrenheit, not less than ten percent (10%) may be evaporated.  
 2 When the thermometer reads two hundred eighty-four (284)  
 3 degrees Fahrenheit, not less than fifty percent (50%) may be  
 4 evaporated. When the thermometer reads three hundred  
 5 ninety-two (392) degrees Fahrenheit, not less than ninety  
 6 percent (90%) may be evaporated. The residue may not exceed  
 7 two percent (2%). Percent evaporated is found by adding the  
 8 distillation loss to the amount collected in the receiver at each  
 9 specification temperature.
- 10 (C) Sulphur  $\frac{1}{2}$  Method ASTM D-1266 or D-2622. Sulphur may  
 11 not exceed twenty-five hundredths of one percent (0.25%).
- 12 (D) Vapor Pressure  $\frac{1}{2}$  Method ASTM D-4953, ASTM D-5191,  
 13 or any other ASTM method to determine vapor pressure  
 14 approved by the United States Environmental Protection  
 15 Agency. For gasoline, the Reid vapor pressure at one hundred  
 16 (100) degrees Fahrenheit may not exceed the following:
- 17 (i) Fifteen (15) pounds per square inch at the normal  
 18 barometric pressure at the point of delivery during  
 19 November, December, January, February, and March.
- 20 (ii) Fourteen (14) pounds per square inch during April and  
 21 October.
- 22 (iii) Twelve (12) pounds per square inch during May, June,  
 23 July, August, and September.
- 24 (E) For gasohol (a blend of gasoline and alcohol permitted  
 25 under federal tax requirements), the vapor pressure may not  
 26 exceed the following:
- 27 (i) Sixteen (16) pounds per square inch during November,  
 28 December, January, February, and March.
- 29 (ii) Fifteen (15) pounds per square inch during April and  
 30 October.
- 31 (iii) Thirteen (13) pounds per square inch during May, June,  
 32 July, August, and September.
- 33 **(F) After July 1, 2004, gasoline may not contain more than**  
 34 **one-half percent (0.5%) of MTBE by volume.**
- 35 (2) Kerosene:
- 36 (A) Flash Test  $\frac{1}{2}$  Method ASTM D-56. Flash point may not be  
 37 lower than one hundred (100) degrees Fahrenheit.
- 38 (B) For the purpose of this chapter, any petroleum product  
 39 designated by name or reference as "kerosene" must meet the  
 40 federal specifications for kerosene VV-K-211d in effect on  
 41 March 1, 1977.
- 42 (c) Gasoline, gasohol, and kerosene products that do not comply

C  
o  
p  
y



1 with the minimum specifications described in subsection (b) may not  
2 be sold, offered for sale, or used in Indiana.

3 (d) Petroleum products other than gasoline, gasohol, or kerosene  
4 shall be inspected and tested by the methods as are necessary to  
5 determine the contents and characteristics of the product.

C  
o  
p  
y



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1338, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, after line 19, begin a new paragraph and insert:

"SECTION 2. IC 16-18-2-242.9 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 242.9. "MTBE", for purposes of IC 16-44-2, has the meaning set forth in IC 16-44-2-2.4.**

SECTION 3. IC 16-44-2-2.4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2.4. As used in this chapter, "MTBE" refers to the gasoline additive methyl tertiary butyl ether.**

SECTION 4. IC 16-44-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) The inspections and tests made by the state department under this chapter shall be conducted in accordance with the methods outlined by the American Society for Testing and Materials.

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

(1) Gasoline or gasohol:

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

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

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

(D) Vapor Pressure † Method ASTM D-4953, ASTM D-5191,

EH 1338—LS 7018/DI 14+



C  
O  
P  
Y

or any other ASTM method to determine vapor pressure approved by the United States Environmental Protection Agency. For gasoline, the Reid vapor pressure at one hundred (100) degrees Fahrenheit may not exceed the following:

- (i) Fifteen (15) pounds per square inch at the normal barometric pressure at the point of delivery during November, December, January, February, and March.
- (ii) Fourteen (14) pounds per square inch during April and October.
- (iii) Twelve (12) pounds per square inch during May, June, July, August, and September.

(E) For gasohol (a blend of gasoline and alcohol permitted under federal tax requirements), the vapor pressure may not exceed the following:

- (i) Sixteen (16) pounds per square inch during November, December, January, February, and March.
- (ii) Fifteen (15) pounds per square inch during April and October.
- (iii) Thirteen (13) pounds per square inch during May, June, July, August, and September.

**(F) After July 23, 2004, gasoline may not contain more than one-half percent (0.5%) of MTBE by volume.**

(2) Kerosene:

(A) Flash Test Method ASTM D-56. Flash point may not be lower than one hundred (100) degrees Fahrenheit.

(B) For the purpose of this chapter, any petroleum product designated by name or reference as "kerosene" must meet the federal specifications for kerosene VV-K-211d in effect on March 1, 1977.

(c) Gasoline, gasohol, and kerosene products that do not comply with the minimum specifications described in subsection (b) may not be sold, offered for sale, or used in Indiana.

(d) Petroleum products other than gasoline, gasohol, or kerosene shall be inspected and tested by the methods as are necessary to determine the contents and characteristics of the product."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1338 as introduced.)

LYTLE, Chair

Committee Vote: yeas 11, nays 0.

EH 1338—LS 7018/DI 14+



C  
O  
P  
Y

COMMITTEE REPORT

Mr. President: The Senate Committee on Agriculture and Small Business, to which was referred House Bill No. 1338, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 33, delete "23," and insert "1,".

and when so amended that said bill do pass.

(Reference is to HB 1338 as printed February 1, 2002.)

NUGENT, Chairperson

Committee Vote: Yeas 10, Nays 0.

C  
o  
p  
y

