

LAK:ty

02/25/2009

1 **AN ACT** *to create* 100.51 (6) of the statutes; **relating to:** offering unblended gasoline
2 to motor fuel dealers.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill draft was prepared for the joint legislative council's special committee on domestic biofuels.

This bill draft would require a motor fuel grantor (grantor) to offer unblended gasoline, suitable for subsequent blending with ethanol and subsequent sale, to any motor fuel dealer (dealer) with which it has a motor fuel dealership agreement (agreement). This bill draft would also prevent an agreement or contract between a dealer and grantor requiring the dealer to purchase ethanol from the grantor exclusively. This bill draft does not prohibit agreements from requiring the subsequent blending of unblended gasoline received by a dealer prior to sale to an end-user, and does not prohibit grantors and dealers from entering into agreements with respect to the transfer of renewable fuels credits under the federal renewable fuels standard.

3 **SECTION 1.** 100.51 (6) of the statutes is created to read:

4 100.51 **(6)** UNBLENDED GASOLINE SALES REQUIREMENT. (a) A motor fuel grantor that
5 provides gasoline to a motor fuel dealer under a motor fuel dealership agreement shall offer
6 gasoline to the motor fuel dealer that is not preblended with ethanol, that is suitable for
7 subsequent blending with ethanol and subsequent sale. For purposes of this subsection,
8 unblended gasoline is not suitable for subsequent sale if the price charged for the unblended
9 gasoline by the motor fuel grantor does not fairly reflect the average posted terminal price, as
10 defined in s. 100.30 (2) (a).

1 (b) No motor fuel dealership agreement or contract between a motor fuel dealer and a
2 motor fuel grantor may require a motor fuel dealer to purchase ethanol for blending purposes
3 only from the motor fuel grantor.

4 (c) Nothing in this subsection prohibits a motor fuel dealership agreement from
5 requiring the motor fuel dealer to blend gasoline received under par. (a) with a specified
6 amount of ethanol by volume prior to the sale of the gasoline to the end-user.

7 (d) Nothing in this subsection prohibits a motor fuel dealership agreement from
8 providing for the transfer of credits under 42 USC 7545 (o) (2) between the motor fuel dealer
9 and the motor fuel grantor.

10 **SECTION 2. Initial applicability.** The treatment of section 100.51 (6) of the statutes first
11 applies to a motor vehicle fuel dealership agreement created, renewed, extended, or modified
12 on the effective date of this SECTION.

COMMENT: There is not a specific penalty that applies to the existing motor fuel dealership requirements under s. 100.51, stats. Therefore, the default statutory penalty, a forfeiture of \$200, would apply to violations of the requirements in this bill [s. 939.61, stats.]. Other penalties in ch. 100, stats., range from forfeitures to crimes. The default penalty for this chapter, which does not apply to s. 100.51, stats., is a fine of \$200 or imprisonment in the county jail for up to 6 months, or both. [s. 100.26 (1), stats.]

13 (END)