

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 341

PRINTER'S NO. 2036

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

January 28, 2011

PRIME SPONSOR

Senator Greenleaf

HISTORY OF BILL

Referred to CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, Jan. 28, 2011

Reported as committed, May 24, 2011

First consideration, May 24, 2011

Re-referred to APPROPRIATIONS, June 14, 2011

Re-reported as amended, March 26, 2012

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 341 establishes a new Subchapter F (Automotive Fuel Testing Program) in Title 3 (Agriculture) providing that the Department of Agriculture may establish a program to randomly test octane level and gasoline quality when testing for proper volumes and verify labeling on fuel dispensers and storage tanks.

Provides for the Department to adopt the latest standards for automotive fuel and publish the standards in the PA Bulletin. Requires distributors and retailers to maintain automotive fuel records and label fuel dispensers with the appropriate ratings.

Agreements may be made with any city or county to provide for the enforcement of the provisions of this subchapter. The enforcing entity shall retain any revenues generated from enforcement.

Provides for the Department to assess civil penalties up to \$5,000 for retailers, distributors, producers and refiners that fail to label fuel correctly or remove seals. Additional civil penalties may be assessed in cases where the party involved had knowledge that the act was unfair or deceptive. In the case of a second or subsequent violation of the act, the department may initiate criminal proceedings. It also provides for a separate civil penalty for breaking, mutilating or destroying seals. An innocent seller's exemption is included to protect retailers that reasonably relied on documentation from a distributor, refiner or producer.

The legislation is scheduled to take effect in 30 days.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

FISCAL IMPACT:

The enactment of Senate Bill 341 will have no adverse fiscal impact on Commonwealth funds. The provisions contained in the legislation provide that the Department of Agriculture may establish a program to randomly test octane level and gasoline quality when testing for proper volumes and verify labeling on fuel dispensers and storage tanks.

However, if the Department was to implement such a program within the Bureau of Weights and Measures, to be carried out with its current complement during routine testing for volume, it would likely incur start-up costs of approximately \$96,000. These costs would include the purchase and calibration of seven portable octane testing devices (\$84,000), and miscellaneous equipment and supplies (\$12,000).

Additional funds would be needed on an annual basis for lab analysis, packaging of samples and shipping of samples obtained from field tests of dispensers and storage tanks that were found to not match the displayed octane levels. According to the Department, laboratory analysis, packaging and shipping would cost approximately \$170 per sample. Assuming that on an annual basis, 500 field tests fail to match the displayed octane level on the portable testing device, the department would need to expend \$85,000 annually on lab analysis.

Revenues from fines levied for noncompliance may offset some of the costs associated with the program.