

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 684 Session of 2007

INTRODUCED BY MARKOSEK, CARROLL, LONGIETTI, PAYTON, WAGNER, BENNINGTON, CALTAGIRONE, FABRIZIO, FRANKEL, FREEMAN, GEIST, GIBBONS, HENNESSEY, JAMES, JOSEPHS, KORTZ, KOTIK, LEVDANSKY, MAHONEY, MANN, MYERS, PICKETT, PRESTON, SABATINA, SANTONI, STAIRS, SURRA, TANGRETTI, THOMAS, WALKO, WATSON, KULA, HORNAMAN, SIPTROTH, RAMALEY, SCAVELLO, COSTA, MAHER, GERGELY, GRUCELA, GOODMAN AND PAYNE, MARCH 9, 2007

AS RE-REPORTED FROM COMMITTEE ON TRANSPORTATION, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 27, 2007

AN ACT

1 Providing for the establishment of an automotive fuel testing
2 and disclosure program, for standards for automotive fuel and
3 for inspection, sampling and testing of automotive fuel;
4 imposing powers and conferring duties on the Department of
5 Agriculture; ESTABLISHING THE OCTANE TESTING ACCOUNT; and
6 providing for penalties. <—

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Short title.

10 This act shall be known and may be cited as the Automotive
11 Fuel Testing Act.

12 Section 2. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "American Society for Testing and Materials" or "ASTM." An
17 organization which develops quality standards and test methods

1 for petroleum products.

2 "Antiknock characteristics." The number assigned to an  
3 automotive fuel which designates the antiknock quality of such  
4 fuel.

5 "Antiknock quality." The distinctive properties or  
6 components of a grade or type of automotive fuel which enhance  
7 the performance of such fuel.

8 "Automotive fuel." A liquid fuel of a type distributed for  
9 use as a fuel in any motor vehicle. The term shall include, but  
10 is not limited to:

11 (1) Automotive spark-ignition engine fuel, which  
12 includes, but is not limited to:

13 (i) Gasoline.

14 (ii) Gasohol, a mixture of unleaded gasoline and at  
15 least 10% denatured ethanol.

16 (iii) Fuels developed to comply with the Clean Air  
17 Act (Public Law 95-95, 42 U.S.C. § 7401 et seq.), such as  
18 reformulated gasoline and oxygenated gasoline.

19 (2) Alternative liquid automotive fuels, including, but  
20 not limited to:

21 (i) Methanol, denatured ethanol and other alcohols.

22 (ii) Mixtures of gasoline containing 85% or more by  
23 volume of methanol, denatured ethanol and other alcohols.

24 "Automotive fuel rating." For automotive spark-ignition  
25 engine fuel, the octane rating or, for alternative liquid  
26 automotive fuel, the commonly used name of the fuel with a  
27 disclosure of the amount, expressed as a minimum percent by  
28 volume, of the principal components of the fuel.

29 "Consumer." A person who purchases automotive fuel for  
30 purposes other than resale.

1 "Department." The Department of Agriculture of the  
2 Commonwealth.

3 "Dispenser" or "dispensing system." A device designed to  
4 measure and deliver automotive fuel into the fuel supply tank of  
5 a motor vehicle.

6 "Distributor." A person who receives automotive fuel in this  
7 Commonwealth for storage and subsequent distribution to another  
8 person other than the consumer.

9 "EPA." The United States Environmental Protection Agency.

10 "FTC." The United States Federal Trade Commission.

11 "Fueling dispensers." Individual fueling points, recognized  
12 by price and/or volume displays for the devices' points of sale.

13 "Load rack terminals." A location where the commercial  
14 transfer of petroleum products at the wholesale level is  
15 conducted utilizing meters employed in the measurement of  
16 product delivered to the seller by the buyer.

17 "Octane rating" or "octane number." The rating of the  
18 antiknock characteristics of a grade or type of automotive fuel,  
19 as determined by dividing by two the sum of the research octane  
20 number plus the motor octane number, unless another procedure is  
21 determined by the Department of Agriculture to be more  
22 appropriate for the purposes of this act.

23 "Oxygenate." A substance which, when added to gasoline,  
24 increases the amount of oxygen in that gasoline blend.

25 "Oxygenate blender." A person who owns, leases, operates,  
26 controls or supervises an oxygenate blending facility.

27 "Oxygenate blending facility." A refinery, bulk terminal,  
28 bulk plant, other facility or truck or another place at which  
29 oxygenated gasoline is produced.

30 "Oxygenated gasoline." Gasoline which contains at least 2%

1 oxygen by weight.

2 "Person." A natural person, corporation, partnership,  
3 association or other legal entity.

4 "Producer." A person who purchases component elements and  
5 blends them to produce automotive fuel.

6 "Refiner." A person engaged in the manufacture, production  
7 or importation of automotive fuel.

8 "Reformulated gasoline." Any gasoline which is certified by  
9 the Environmental Protection Agency as complying with the  
10 requirements of section 211 of the Clean Air Act (Public Law 95-  
11 95, 42 U.S.C. § 7401 et seq.) and any regulations promulgated  
12 pursuant to the Clean Air Act.

13 "Research octane number" and "motor octane number." The  
14 terms shall have the meanings given these terms in the  
15 specifications of the American Society for Testing and Materials  
16 entitled "Standard Specifications for Automotive Spark Ignition  
17 Engine Fuel," designated D4814, and, with respect to any grade  
18 or type of automotive fuel, are determined in accordance with  
19 the test methods set forth in American Society for Testing and  
20 Materials standard test methods, designated D2699, "Standard  
21 Test Method for Knock Characteristics of Motor Fuels by the  
22 Research Method," and ASTM D2700, "Standard Test Method for  
23 Knock Characteristics of Motor and Aviation Fuels by the Motor  
24 Method."

25 "Retailer." A person who sells automotive fuel to the  
26 consumer.

27 "Secretary." The Secretary of Agriculture of the  
28 Commonwealth.

29 Section 3. Automotive Fuel Testing and Disclosure Program.

30 (a) Establishment.--The department shall establish and

1 implement the Automotive Fuel Testing and Disclosure Program.

2 (b) Program requirements.--The Automotive Fuel Testing and  
3 Disclosure Program shall provide for the testing of automotive  
4 fuel on a random, unannounced basis and otherwise as determined  
5 necessary by the department.

6 (c) Duties of department.--The department shall enforce the  
7 provisions of this act and shall:

8 (1) Appoint or employ such inspectors as may be  
9 necessary to carry out the provisions of this act.

10 (2) Take samples of automotive fuel wherever it is  
11 processed, produced, blended, held, stored, imported,  
12 transferred, offered or exposed for sale or use or sold in  
13 this Commonwealth. The samples shall be taken in accordance  
14 with procedures and standards prescribed by ASTM.

15 (3) Inspect and test automotive fuel samples in  
16 accordance with the methods of the ASTM or other test methods  
17 adopted by the FTC pursuant to the Petroleum Marketing  
18 Practices Act (Public Law 95-297, 15 U.S.C. § 2801 et seq.)  
19 or by regulation of the department to determine whether such  
20 automotive fuel complies with the requirements of this act.

21 (4) Maintain records of all inspections.

22 (5) Inspect and test samples submitted to the department  
23 by a distributor or retailer. The department may by  
24 regulation establish and collect fees from any distributor or  
25 retailer who submits automotive fuel samples to the  
26 department for testing.

27 (6) Inspect the labeling of automotive fuel dispensers  
28 and storage tanks at retail businesses or locations where  
29 such products are sold or offered or exposed for sale or use.

30 (7) Enter into contractual agreements with qualified

1 laboratories for the purpose of analyzing automotive fuel  
2 samples.

3 (8) Promulgate such regulations as necessary for the  
4 enforcement and administration of this act.

5 (d) Sealers of weight and measures.--The department may  
6 enter into agreements with any city or county for which a sealer  
7 has been appointed for the enforcement of provisions of this act  
8 and rules or regulations promulgated under this act. The sealer  
9 of a city or county shall have the same authority and shall  
10 perform the same duties within the city or county as are granted  
11 to and imposed upon the department with respect to the  
12 inspection, testing and taking of automotive fuel samples.

13 Section 4. Standards for automotive fuel.

14 (a) Adoption of standards.--The department shall adopt  
15 standards for automotive spark-ignition engine fuels. The  
16 department shall adopt the latest standards of the ASTM or other  
17 standards as determined by the FTC.

18 (b) Automotive fuel.--Gasoline sold, offered or exposed for  
19 sale, stored or held for distribution in this Commonwealth shall  
20 comply with ASTM specification D4814 and with the volatility  
21 requirements promulgated by the EPA under 40 CFR ~~Part 80~~ PT. 80 ←  
22 (RELATING TO REGULATION OF FUELS AND FUEL ADDITIVES). Gasoline  
23 may be blended with an agriculturally derived ethanol or with a  
24 detergent additive, antiknock additive or any other additive  
25 approved and registered by the EPA. After gasoline is sold,  
26 transferred or otherwise removed from a refinery, the gasoline  
27 shall not be sold, offered or exposed for sale or stored or held  
28 for distribution to a consumer in this Commonwealth if it has  
29 been:

30 (1) Blended with any other petroleum product which is

1 not gasoline unless the blended product conforms with ASTM  
2 standards.

3 (2) Blended with products commonly and commercially  
4 known as casinghead gasoline, absorption gasoline,  
5 condensation gasoline, drip gasoline or natural gasoline.

6 (3) Blended with any contaminant.

7 (c) Records and audits.--Each distributor, producer or  
8 retailer who distributes, produces, transports, stores, sells or  
9 offers or exposes for sale automotive fuel in this Commonwealth  
10 shall maintain for one year original copies of all bills,  
11 manifests, delivery tickets, invoices and any other information  
12 the department may by regulation require for the purpose of  
13 audits by the department.

14 Section 5. Automotive fuel rating; disclosure and labeling  
15 requirements.

16 (a) Disclosure requirements.--Each distributor, producer or  
17 refiner who sells or offers or exposes for sale, delivers,  
18 distributes or produces automotive fuel in this Commonwealth  
19 shall provide, at the time of delivery, a bill, shipping  
20 manifest or other type of written invoice to the person who  
21 receives the automotive fuel. The bill, shipping manifest or  
22 other written invoice shall state the automotive fuel rating.

23 (b) Posting and labeling requirements.--Each retailer of  
24 automotive fuel in this Commonwealth shall label in a clear and  
25 conspicuous manner each automotive fuel dispenser which is used  
26 to sell or offer or expose for sale automotive fuel, with the  
27 automotive fuel rating of such fuel, which shall be consistent  
28 with the automotive fuel rating certified to such retailer by  
29 the refiner or distributor, as the case may be. In the case of  
30 gasoline which is blended with other gasoline by the retailer,

1 the automotive fuel rating shall be the average, weighted by  
2 volume, of the octane rating certified to the retailer by the  
3 distributor or refiner for each gasoline in the blend, or  
4 consistent with the lowest octane rating for any gasoline in the  
5 blend as certified to the retailer by a refiner or distributor.

6 (c) Oxygenated gasoline labeling requirements.--Whenever  
7 oxygenated gasoline is sold, a person who sells or offers or  
8 exposes such gasoline for sale shall clearly and conspicuously  
9 label the dispenser which is used to sell oxygenated gasoline at  
10 retail or to dispense oxygenated gasoline into the fuel supply  
11 tanks of motor vehicles with a notice stating that the gasoline  
12 is oxygenated and will reduce the carbon monoxide emissions from  
13 the motor vehicle.

14 (d) Reformulated gasoline labeling requirements.--Whenever  
15 reformulated gasoline is required to be sold, a person who sells  
16 or offers or exposes such gasoline for sale shall clearly and  
17 conspicuously label the dispenser which is used to sell  
18 reformulated gasoline at retail or to dispense reformulated  
19 gasoline into the fuel supply tanks of motor vehicles with a  
20 notice stating that the gasoline is reformulated.

21 (e) Representation of antiknock characteristics of  
22 automotive fuel.--No distributor of automotive fuel in this  
23 Commonwealth shall make any representation of the antiknock  
24 characteristics of automotive fuel unless the representation  
25 discloses the minimum antiknock index requirements of the fuel  
26 as adopted by the National Conference of Weights and Measures  
27 and published in Handbook 130, and supplements thereto, or in  
28 any publication revising or superseding Handbook 130.

29 (f) Storage tank labels; retail locations.--Each retailer of  
30 automotive fuel shall attach an identification device on the



1 inlet end of the fill pipe of an automotive fuel storage tank at  
2 retail locations where automotive fuel is sold or offered or  
3 exposed for sale. The identification device shall clearly  
4 display the automotive fuel rating of the automotive fuel held  
5 in the storage tank. The automotive fuel rating displayed on the  
6 identification device shall be consistent with the automotive  
7 fuel rating displayed on the dispensing system through which the  
8 fuel is dispensed.

9 (g) Labeling tolerance.--In accordance with specifications  
10 of the ASTM entitled "Specifications for Automotive Spark  
11 Ignition-Engine Fuel," designated D4814, in the case of  
12 gasoline, tolerance allowed shall be limited to 0.7 for 87  
13 octane and under and 0.6 for all other octane grades.

14 (h) Federal regulations.--All regulations and supplements  
15 thereto or revisions thereof adopted by the FTC pursuant to the  
16 Petroleum Marketing Practices Act (Public Law 95-297, 15 U.S.C.  
17 § 2801 et seq.) to govern the certification, disclosure, posting  
18 and labeling of automotive fuel before, on or after the  
19 effective date of this act are hereby adopted as regulations in  
20 this Commonwealth and shall remain in effect unless subsequently  
21 modified by regulations promulgated by the department.

22 Section 6. Investigations.

23 (a) General rule.--The department may conduct investigations  
24 to determine compliance with this act or any regulation  
25 promulgated pursuant to this act. Inspections shall be performed  
26 during normal business hours and shall include the collection  
27 and removal of samples for laboratory testing.

28 (b) Entry upon premises.--The department shall have the  
29 right of access to the premises and records of any establishment  
30 where automotive fuel is stored, held, processed, distributed,

1 offered or exposed for sale or sold in this Commonwealth to:

2 (1) Inspect the automotive fuel in storage tanks and  
3 take samples from such tanks and the dispensing system  
4 connected to the storage tanks. The retailer or distributor  
5 may request a second sample to be taken by the inspector at  
6 the same time the initial sample is drawn. All costs of the  
7 second sample shall be paid by the retailer or distributor,  
8 as the case may be, making the request. If the request for a  
9 second sample is made by the retailer in accordance with  
10 procedures established through an agreement with the  
11 distributor, producer or refiner, all costs of drawing,  
12 handling and shipping the sample shall be borne by the  
13 distributor, producer or refiner who supplied the automotive  
14 fuel to the retailer. If the request for a second sample is  
15 made by the distributor in accordance with procedures  
16 established through an agreement with the producer or  
17 refiner, all costs of drawing, handling and shipping the  
18 sample shall be borne by the producer or refiner who supplied  
19 the automotive fuel to the distributor.

20 (2) Inspect automotive fuel dispensing systems and  
21 related equipment, oxygenate labels, reformulated labels and  
22 octane labels.

23 (3) Audit and make copies of automotive fuel shipping,  
24 receiving and invoice documents and records to determine  
25 compliance with sections 4 and 5.

26 The department shall limit such inspections, auditing and  
27 copying to information and data relating to product quantity,  
28 quality, oxygen content, octane, source and other information as  
29 may be reasonably requested.

30 (c) Remedies.--Whenever the department determines that an

1 automotive fuel sample does not conform with the standards set  
2 forth in section 4 or that a label displayed on a dispensing  
3 system, storage tank or other dispensing device does not conform  
4 with the requirements of section 5, the department may initiate  
5 any or all of the following actions to prohibit sale of the  
6 nonconforming automotive fuel or to prohibit the use of the  
7 nonconforming dispensing system, storage tank or other  
8 dispensing device:

9 (1) Reject and mark as rejected the dispensing system,  
10 storage tank or other dispensing device from which the sample  
11 was obtained or on which the nonconforming label is attached.

12 (2) Seal and mark as sealed the storage tanks from which  
13 the sample was drawn or the nonconforming label attached.

14 (3) Initiate criminal proceedings under section 7(d).

15 (4) Issue a citation.

16 (5) Issue a stop sale notice under subsection (d).

17 (6) Advise the retailer or distributor that the  
18 automotive fuel must be blended with another automotive fuel  
19 to bring it into compliance, provided that the product does  
20 not endanger public health or safety or adversely affect the  
21 emissions characteristics of the motor vehicles in which it  
22 is used.

23 (7) Issue a written warning directing the retailer or  
24 distributor to correct the nonconforming label.

25 (d) Stop sale notice.--The department shall have the  
26 authority to immediately seize and seal, in order to prevent  
27 further sales, any dispensing system, storage tank or other  
28 dispensing device from which automotive fuel is sold or offered  
29 or exposed for sale in violation of the provisions of this act  
30 and to issue a stop sale notice to the retailer or distributor,

1 if the department has reason to believe the retailer or  
2 distributor willfully or intentionally violated this act or the  
3 regulations promulgated in accordance with this act. Any  
4 automotive fuel subject to a stop sale notice shall not be sold  
5 or exposed or offered for sale or transported unless the  
6 retailer or distributor has received approval from the  
7 department. Automotive fuel which has been seized and sealed by  
8 the department for violation of section 4 or 5 shall not be  
9 offered or exposed for sale until the department has been fully  
10 satisfied that the automotive fuel has been blended or refined  
11 or properly labeled to meet the requirements of this act, and  
12 the retailer or distributor has been notified of the  
13 department's decision to permit the sale or relabeling of the  
14 fuel.

15 (e) Posting of stop sale notice.--The department shall cause  
16 to be posted in a conspicuous place on the premises where a  
17 dispensing system, storage tank or other dispensing device has  
18 been sealed a notice stating that sealing has taken place and  
19 giving warning that it shall be unlawful to break, mutilate or  
20 destroy the seal or to remove the contents of the dispensing  
21 system, storage tank or other dispensing device without the  
22 approval of the department.

23 (f) Notice required to remove seal.--Any retailer,  
24 distributor or producer who owns an automotive fuel dispensing  
25 system, storage tank or other dispensing device which has been  
26 sealed by the department shall obtain the approval of the  
27 department before the fuel is removed or a proper label  
28 attached. A written notice of any corrective action taken shall  
29 be submitted to the department within three working days. The  
30 department may reinspect the automotive fuel dispensing system,

1 storage tank or other dispensing device to determine compliance.  
2 The retailer, distributor, producer or refiner who owns the  
3 system or device which has been sealed shall provide  
4 documentation of the corrective action taken, including any  
5 applicable shipping papers or bills of lading showing the  
6 disposal or final disposition of the automotive fuel and such  
7 other information necessary to permit the department to audit  
8 and confirm that the corrective action was as previously  
9 approved by the department. A retailer, distributor, producer or  
10 refiner shall not remove a seal except when given specific  
11 approval by the department.

12 Section 7. Violations and penalties.

13 (a) Retail violations.--The department may assess a civil  
14 penalty of not more than \$5,000 upon a retailer who sells or  
15 offers or exposes for sale automotive fuel from any dispensing  
16 system, storage tank or other dispensing device which has not  
17 been labeled in accordance with the provisions of this act, or  
18 who sells or offers or exposes for sale any automotive fuel  
19 which does not meet the required standards for automotive fuel  
20 rating displayed on the label attached to the dispensing system,  
21 storage tank or other dispensing device, or who sells or offers  
22 or exposes for sale automotive fuel which has been contaminated.

23 (b) Distributor, producer or refiner violations.--The  
24 department may assess a civil penalty of not more than \$5,000  
25 upon a distributor, producer or refiner who sells or offers or  
26 exposes for sale automotive fuel which does not meet the  
27 automotive fuel rating certified by the distributor, producer or  
28 refiner or who sells or offers or exposes for sale automotive  
29 fuel which does not meet the requirements of section 4.

30 (c) Knowledge of deceptive practice.--In addition to any

1 civil penalty imposed for violations of subsection (a) or (b),  
2 the department may assess a distributor, producer, refiner or  
3 retailer with an additional civil penalty equal to the  
4 difference between the price per gallon charged to the consumer  
5 for the automotive fuel in question and the price per gallon  
6 charged to the consumer for the lowest octane grade at the  
7 retail dispensing facility at the time of the violation,  
8 multiplied by the capacity of the storage tank from which the  
9 product in question was dispensed, if the distributor, producer,  
10 refiner or retailer violates any provisions of this act or any  
11 regulations promulgated pursuant to this act with actual  
12 knowledge that the act or practice underlying the violation is  
13 unfair or deceptive.

14 (d) Repeat violations.--In addition to any civil penalty  
15 assessed in accordance with the provisions of this section, the  
16 department may initiate criminal proceedings for a second or  
17 subsequent violation of sections 4 and 5 or any regulations  
18 promulgated pursuant to such sections. Such a second or  
19 subsequent violation shall constitute a misdemeanor of the third  
20 degree.

21 (e) Removal of seals.--The department may assess a civil  
22 penalty of not less than \$1,000 nor more than \$5,000 on any  
23 person, other than a person designated by the department, who  
24 breaks, mutilates or destroys any seal placed upon a dispensing  
25 system, storage tank or other dispensing device used to deliver  
26 or store automotive fuel, or who removes automotive fuel from a  
27 dispensing system, storage tank or other dispensing device which  
28 has been sealed, or who defaces or removes a posted notice of  
29 sealing.

30 (f) Hearings.--No civil penalty shall be assessed under this

1 section unless the person charged has been given notice and  
2 opportunity for hearing in accordance with 2 Pa.C.S. (relating  
3 to administrative law and procedure).

4 (g) Innocent sellers exemption.--The department shall not  
5 impose a civil penalty for a violation of subsection (a)  
6 regarding labeling if the retailer labeled the dispensing  
7 system, storage tank or other dispensing device in reasonable  
8 reliance on documentation provided by the distributor, producer  
9 or refiner certifying the standards for automotive fuel rating.

10 (h) Private action by retailer.--Whenever a retailer  
11 unknowingly and without deception sells or offers or exposes for  
12 sale automotive fuel which does not conform with the provisions  
13 of this act, the distributor, producer, oxygenate blender or  
14 refiner, as the case may be, of the nonconforming automotive  
15 fuel shall be liable in damages to the retailer for any  
16 ascertainable loss of money or property.

17 (i) Acts or practices constituting unfair trade.--It shall  
18 be an unfair method of competition and an unfair or deceptive  
19 act or practice in or affecting trade and commerce in this  
20 Commonwealth within the meaning of section 3 of the act of  
21 December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade  
22 Practices and Consumer Protection Law, for any retailer,  
23 producer, distributor, oxygenate blender or refiner to violate  
24 the provisions of this act or any regulations promulgated  
25 pursuant to this act.

26 Section 8. Annual report.

27 The department shall file an annual report with the  
28 Transportation Committee of the Senate and the Transportation  
29 Committee of the House of Representatives. The report shall  
30 summarize the details and impact of the Automotive Fuel Testing

1 and Disclosure Program for the year being reported. The  
2 department shall file the report no later than May 1 of the  
3 following year.

4 Section 9. Octane Testing Account.

5 (a) Establishment.--~~There is established in a restricted~~ <—  
6 ~~revenue account in the General Fund an account to be known as~~  
7 ~~the Octane Testing Account.~~ THE OCTANE TESTING ACCOUNT IS <—  
8 ESTABLISHED AS A RESTRICTED REVENUE ACCOUNT IN THE GENERAL FUND.

9 The following are the sources of money for the Octane Testing  
10 Account:

11 (1) Fees per year as follows:

12 1-9 FUELING dispensers - \$100 per year <—

13 10-19 FUELING dispensers - \$200 per year <—

14 20 or more FUELING dispensers - \$300 per year <—

15 (2) Fees per load rack terminal as follows:

16 1-9 meters - \$500 per year

17 10 or more meters - \$1,000 per year

18 The department ~~reserves the right to~~ MAY adjust the fees as <—  
19 necessary. Notice of any fee adjustment shall be published in  
20 the Pennsylvania Bulletin.

21 (b) Appropriations from account.--Money in the Octane  
22 Testing Account is hereby appropriated, upon approval by the  
23 Governor, to be used exclusively for the implementation and  
24 administration of this act.

25 Section 10. Effective date.

26 This act shall take effect July 1, 2007.