## ARIZONA HOUSE OF REPRESENTATIVES



# Fifty-sixth Legislature Second Regular Session

**House:** TI DP 9-0-2-0 |  $3^{\rm rd}$  Read 50-5-2-0-3 **Senate:** TTMC DP 4-3-0-0 |  $3^{\rm rd}$  Read 16-11-3-0

**Final Pass:** 56-1-3-0

HB 2573: use fuel dispenser labels; penalties Sponsor: Representative Biasiucci, LD 30 Transmitted to the Governor

### **Overview**

Modifies the civil penalty for use fuel vendors who violate use fuel dispenser labeling or posting requirements to be \$100 instead of \$100 for each day the violation continues. Stipulates that ADOT is only required to provide use fuel dispenser labels to vendors that comply with the record requirements and subjects a vendor to the \$100 civil penalty for failing to properly affix a use fuel dispenser label rather than for violating the outlined requirements.

#### **History**

The Use Fuel Tax applies to all gases and liquids used to propel motor vehicles that are not subject to the Motor Vehicle Fuel Tax, including diesel. The Use Fuel Tax rate for vehicles weighing less than 26,000 pounds is 18 cents per gallon, which is the same rate as the State Motor Vehicle Fuel Tax Rate. For vehicles weighing more than 26,000 pounds, the Use Fuel Tax Rate is 26 cents per gallon. Use Fuel Tax revenues are deposited into the Highway User Revenue Fund (2023 Tax Handbook).

Labels on use fuel dispensers must notify the purchaser of the Use Fuel Tax rate. ADOT is required to provide the use fuel dispenser labels to vendors. Statute outlines additional posting requirements for vendors which vary depending on which class of motor vehicles are permitted to use the fuel dispenser. A vendor who violates the use fuel dispenser labeling or posting requirements is subject to a civil penalty of \$100 for each day the violation continues (A.R.S. § 28-5605).

A *Vendor* includes a person who sells use fuel in this state and who places the fuel or causes the fuel to be placed into any receptacle on a motor vehicle from which the fuel is supplied for the propulsion, including a service station dealer, a broker and a user who sells use fuel to others (A.R.S. § 28-5601).

#### **Provisions**

- 1. Changes the civil penalty for vendors who violate requirements related to use fuel dispenser labels or posting to be \$100, rather than \$100 for each day the violation continues. (Sec. 1)
- 2. States that ADOT is only required to provide use fuel dispenser labels to vendors that comply with the record requirements for interstate user reports and use fuel sale and transfer receipts. (Sec. 1)

$\square$ Prop 105 (45 votes) $\square$ Prop 108 (40 votes) $\square$ Emergency (40 votes) $\boxtimes$ Fiscal Note		□ Prop 105 (45 votes)	□ Prop 108 (40 votes)	☐ Emergency (40 votes)	⊠ <u>Fiscal Note</u>	
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3.	Specifies that a vendor is subject to the \$100 civil penalty for failing to properly affix a use fuel dispenser label rather than for violating the outlined requirements related to use fuel dispenser labeling and posting. (Sec. 1)