



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

VETOED

AMENDED

FACT SHEET FOR H.B. 2573

use fuel dispenser labels; penalties

Purpose

Reduces the civil penalty, from \$100 per day to \$100, for failing to properly affix a use fuel label and requires dispenser labels to be provided to vendors who comply with prescribed record retention requirements.

Background

According to standards established by the Weights and Measurers Services Division of the Arizona Department of Agriculture, a vendor must label use fuel dispensers to notify the purchaser of the state use fuel tax rate, which is 18 cents per gallon for light class motor vehicles and 26 cents per gallon for use class motor vehicles, and post: 1) a sign on each use fuel dispenser that indicates that the price of the use fuel dispensed from that dispenser includes the applicable federal and state taxes; 2) both use fuel tax rates, if light class and use class vehicles may fuel from the same dispenser; and 3) any limitations on selling use fuel to light class or use class vehicles or prohibitions on light class or use class vehicles dispensing fuel from a specific dispenser.

The Arizona Department of Transportation (ADOT) must provide use fuel dispenser labels to vendors ([A.R.S. § 28-5605](#)). A *vendor* includes a person who sells use fuel in Arizona and places the fuel, or causes the fuel to be placed, into any receptacle on a motor vehicle from which fuel is supplied for propulsion, including a service station dealer, broker and user who sells use fuel to others. A *use class motor vehicle* is a road tractor, truck tractor, truck or passenger-carrying vehicle having a declared gross vehicle weight of more than 26,000 pounds or more than two axles that uses use fuel on a state highway. A *light class motor vehicle* is a vehicle that uses use fuel on a state highway and is not a use class motor vehicle ([A.R.S. § 28-5601](#)).

The Joint Legislative Budget Committee fiscal note estimates that H.B. 2573 would reduce state revenues but the extent cannot be determined without input from ADOT ([JLBC](#)).

Provisions

1. Subjects, to a civil penalty of \$100 rather than \$100 each day the violation continues,-a vendor who fails to affix a use fuel label provided by ADOT, as prescribed.
2. Requires ADOT to provide use fuel dispenser labels to vendors who, for three years, maintain and keep:
 - a) records of use fuel received, sold or delivered in Arizona by the vendor; and
 - b) invoices, bills of lading and other pertinent records and papers required by the Director of ADOT for administrative purposes.

3. Makes technical changes.
4. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Specifies that the \$100 civil penalty is for failing to affix a use fuel label provided by ADOT as prescribed, rather than violating the prescribed requirements.
2. Stipulates that ADOT must provide use fuel dispenser labels to a vendor who complies with the prescribed record requirements.
3. Removes the requirement that ADOT provide use fuel dispenser labels in bulk.

Governor's Veto Message

The Governor indicates in her [veto message](#) that H.B. 2573 reduces accountability and consumer protection measures.

House Action

TI 1/24/24 DP 9-0-2-0
3rd Read 2/6/24 50-5-2-0-3
Final Read 6/15/24 56-1-3

Senate Action

TTMC 3/11/24 DP 4-3-0
3rd Read 6/12/24 16-11-3

Vetoed by the Governor 6/21/24

Prepared by Senate Research
June 26, 2024
KJA/slp