

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6681

BILL NUMBER: SB 303

NOTE PREPARED: Feb 15, 2021

BILL AMENDED: Feb 15, 2021

SUBJECT: Petroleum Product Inspection and Dispenser Notice.

FIRST AUTHOR: Sen. Messmer

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill revises certain specifications used in the testing of gasoline and gasohol. The bill requires that a statement advising customers to check their owner's manuals for compatibility and warranty requirements be displayed on a fuel dispenser from which retail customers dispense gasohol containing more than ten per cent alcohol by volume. It requires that the warning statement be put next to the place on the fuel dispenser where the fuel selection is made. The bill makes the failure of an owner or operator of a fuel dispenser to comply with this requirement a Class A infraction. It provides that the requirement to display the warning statement about checking owner's manuals for compatibility and warranty requirements remains in effect until the State Department of Health makes a finding that regulations of the United States Environmental Protection Agency: (1) require the display on gasohol fuel dispensers of a consumer warning about engine compatibility with gasohol or the potential effect of gasohol use on warranty coverage; or (2) no longer require the display on gasohol fuel dispensers of the federal warning label about the use of ethanol in certain vehicles and certain engines.

Effective Date: July 1, 2021.

Explanation of State Expenditures: The new specifications in this bill would be completed by the Indiana State Department of Health (ISDH) within routine testing of gasoline, gasohol, and kerosene. A minor increase in agency workload could occur if more individuals are found to be in violation of the new specifications. Notification of violations and enforcement of corrective actions are within ISDH's routine administrative functions and should be able to be implemented with no additional appropriations.

Explanation of State Revenues: *Weights, Measures and Metrology Penalties* - By changing standards of gasoline and gasohol in the state, the bill could increase the number of individuals who are found in

noncompliance with these specifications. Currently, the ISDH Division of Weights, Measures, and Metrology notifies individuals if they are in violation of gasoline, gasohol and kerosene standards in law. If corrective action is not taken, civil penalties are collected, which would be deposited in the General Fund. Any increase in General Fund revenue from violations is expected to be minimal.

Fuel Labeling Penalties - The bill imposes a Class A infraction on operators of fuel dispensers who fail to comply with the bill's labeling requirements for gasohol dispensers. The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision* - If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: ISDH.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: 410 IAC 12-1-7.

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