SENATE BILL NO. 261

INTRODUCED BY Mike Sprague

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING THE DISPENSING OF FLAMMABLE LIQUIDS SOLD AT RETAIL BY ANY PERSON OTHER THAN AN OWNER, OPERATOR, OR EMPLOYEE OF AN ENTERPRISE SELLING FLAMMABLE LIQUIDS AT RETAIL."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Operation of device dispensing flammable liquids by public prohibited.** An owner, operator, or employee of a filling station, service station, garage, or other dispensary where motor fuel, as defined in 30-14-803, any flammable liquid, as defined in 61-1-507, liquefied petroleum gas, or propane is dispensed at retail may not permit a person other than the owner, operator, or employee to use or manipulate any pump, hose, pipe, or other device for dispensing flammable liquid into the fuel tank of a motor vehicle or into any other container.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0261, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:
An act prohibiting the dispensing of flammable liquids sold at retail by any person other than an owner, operator, or employee of an enterprise selling flammable liquids at retail.

ASSUMPTIONS:
1. There are approximately 10,000 retail fuel dispensers in Montana and of these 95% or 9,500 are self service. In order to convert to full service, gas stations will be required to hire additional employees. Those additional employee costs would be passed on to consumers in higher fuel prices estimated at 10-12 cents a gallon.
2. Some service stations may not be able to absorb the costs of additional employees and will discontinue fuel sales. The Department of Commerce Weights & Measures Bureau assumes no net change in the total number of fuel pumps. A greater average number of pumps per retail outlet could marginally reduce Weights and Measures workload. However, there is no basis for the department to anticipate specifically what impact this would have.
3. A significant increase in the cost of motor vehicle fuel would tend to reduce consumption and, therefore, could reduce fuels tax revenues accordingly. It would be possible to use an estimate of the price elasticity of motor fuel as a basis for determining revenue impact. However, this level of analysis is not possible within the time frame allowed for this fiscal note.
4. Although unclear, for purposes of this fiscal note it is assumed that state agencies which dispense motor fuels from state-owned tanks to other state agencies and local government personnel would not be considered "at retail" and would therefore be exempt from the requirement to provide personnel to dispense fuel.
5. In FY94, state agencies expended approximately $3.9 million for gasoline and $2.0 million for diesel fuel. An estimated 40% of gasoline and 5% of diesel fuel is purchased on a retail basis. State expenditures for fuel is exempt from federal excise tax.

FISCAL IMPACT:

Expenditures:
State agencies could spend approximately $125,000 more per year for vehicle fuels purchased at retail based on retail fuel costs increasing by $0.10 per gallon.

Elimination of self-serve fueling stations could affect workload of Department of Commerce Weights and Measures.

Revenues:
State fuels tax collections would probably decrease due to reduced consumption caused by higher prices. However, there is insufficient information available within the time frame allowed for this fiscal note to attempt to estimate the extent of any reduction in fuels tax revenues.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:
Local governments would experience higher expenditures for fuels purchased at retail.

Dave Lewis 1-31-95

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

MIKE SPRAGUE, PRIMARY SPONSOR DATE

Fiscal Note for SB0261 as introduced

SB 261