

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 1202
Economic Matters

(Delegate Murphy)

Motor Fuel - Raising Price During State of Emergency Prohibited

This bill prohibits a retail service station dealer from raising the price of motor fuel during a state of emergency declared by the Governor.

Fiscal Summary

State Effect: The Comptroller's Office could investigate complaints and issue stop sale notices with existing budgeted resources. The bill's criminal penalty provisions are not expected to significantly affect State finances or operations.

Local Effect: The bill's criminal penalty provisions are not expected to significantly affect local finances or operations.

Small Business Effect: Meaningful.

Analysis

Bill Summary: If the Comptroller receives a complaint in writing that a retail service station dealer has raised the price of motor fuel during a state of emergency, the Comptroller must investigate and determine within three business days of the receipt of the complaint whether the allegations contained in the complaint are true. The Comptroller must issue a stop sale notice and may suspend or revoke the certificate of registration of a retail service station dealer if the Comptroller determines that the retail service station dealer is in violation of this provision. A violator of such a stop sale notice is guilty of a misdemeanor and subject to a maximum fine of \$5,000 and/or a maximum term of imprisonment of one year.

Current Law: None applicable. The Comptroller currently may issue a stop sale notice if it is found that the seller: (1) stores or sells motor fuel from a location that does not have a valid certificate of registration; (2) willfully uses a motor fuel advertisement that is misleading; (3) willfully markets motor fuel that has not been approved; or (4) sells motor fuel below cost.

Small Business Effect: A large percentage of retail service stations are small businesses. The impact of the legislation on these small businesses will depend on the difference between the amount the station must pay for motor fuel and the amount it can charge its customers. To the extent that wholesale motor fuel distributors raise the prices they charge retail stations during a state of emergency -- when, under the bill, the retail stations may not raise their prices -- there could be a significant impact on the retail stations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office (Motor Fuel Tax Division), Department of Legislative Services

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