SB 287

Department of Legislative Services

Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 287 (Chairman, Finance Committee)
(Departmental – Comptroller)

Finance Economic Matters

Motor Fuel and Lubricants - Dyed Diesel Fuel

This departmental bill prohibits the use of dyed diesel fuel in a vehicle on a highway and prohibits the sale or delivery of dyed diesel fuel from a retail pump unless notification requirements regarding the dyed fuel are met. The bill allows the Comptroller to detain a motor vehicle to inspect and test diesel fuel for compliance with the statute. A violation of the bill is a misdemeanor subject to a fine not exceeding $1,000 and imprisonment not exceeding one year, or both. In addition to these misdemeanor penalties, the bill provides for additional monetary penalties to be assessed by the Comptroller.

Fiscal Summary

State Effect: Enforcement of the bill's prohibitions could be absorbed with existing resources. Potential minimal increase in general fund revenues and expenditures due to the bill's penalty provisions.

Local Effect: Potential minimal increase in expenditures due to the bill's penalty provisions.

Small Business Effect: The Comptroller's Office has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: None applicable.

Background: Diesel motor fuel is chemically identical to certain types of home heating fuel. Home heating fuel, however, is exempt from federal and State motor fuel taxes, while diesel motor fuel is subject to those taxes. Dye is added to home heating fuel to distinguish it from diesel motor fuel. To deter tax evasion, in 1993 the federal government prohibited the use of dyed diesel fuel on public highways. The Comptroller's Office currently inspects for compliance with the federal law and informs the federal government of any violations; however, there are no State penalties that can be enforced.

State Revenues: General fund revenues could increase minimally as a result of the bill's monetary penalty provisions from cases heard in the District Court.

State Expenditures: The Comptroller's Office advises that the bill's provisions can be enforced with existing resources, as such inspections already take place to some degree.

General fund expenditures could increase minimally as a result of the bill's incarceration penalty due to increased payments to counties for reimbursement of inmate costs and more people being committed to Division of Correction (DOC) facilities. The number of people convicted of this proposed crime is expected to be minimal.

Generally, persons serving a sentence of one year or less in a jurisdiction other than Baltimore City are sentenced to a local detention facility. The State reimburses counties for part of their incarceration costs, on a per diem basis, after a person has served 90 days. State per diem reimbursements for fiscal 2003 are estimated to range from $10 to $61 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in a DOC facility. Currently, the DOC average total cost per inmate, including overhead, is estimated at $1,850 per month. This bill alone, however, should not create the need for additional beds, personnel, or facilities. Excluding overhead, the average cost of housing a new DOC inmate (including medical care and variable costs) is $300 per month.

Local Expenditures: Expenditures could increase minimally as a result of the bill's incarceration penalty. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from $20 to $84 per inmate in fiscal 2003.

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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