

SENATE BILL 176

C2

8lr0133

By: **Chair, Finance Committee (By Request – Departmental – Comptroller)**

Introduced and read first time: January 18, 2008

Rules suspended

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel – Use of Dyed Diesel Fuel – Violations**

3 FOR the purpose of establishing certain offenses involving the use of dyed diesel fuel
4 in the propulsion tank of a motor vehicle on State highways; and generally
5 relating to the use of dyed diesel fuel on State highways.

6 BY repealing and reenacting, with amendments,
7 Article – Business Regulation
8 Section 10–323.2
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2007 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Business Regulation**

14 10–323.2.

15 (a) (1) A notice stating “dyed diesel fuel, nontaxable use only” shall be:

16 (i) provided by the terminal operator or distributor to any
17 person that receives dyed diesel fuel at a terminal or distributor rack;

18 (ii) provided by the seller of dyed diesel fuel to its buyer if the
19 fuel is located outside the bulk transfer or terminal system and is not sold from a
20 retail pump on which the notice required by this section has been posted in accordance
21 with item (iii) of this paragraph; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) posted by a seller on any retail pump where the seller sells
2 dyed diesel fuel for use by the buyer of the dyed diesel fuel.

3 (2) The notice required under paragraph (1)(i) or (ii) of this subsection
4 shall be provided at the time of the removal or sale of the dyed diesel fuel and shall
5 appear on shipping papers, bills of lading, and invoices accompanying the sale or
6 removal of the dyed diesel fuel.

7 (3) The Motor Fuel Tax Bureau may determine that compliance with a
8 federal notice provision that is substantially similar to a notice requirement of this
9 subsection satisfies that notice requirement of this subsection.

10 (b) (1) A person may not operate a motor vehicle on a highway in the
11 State with fuel supply tanks containing dyed diesel fuel unless permitted to do so
12 under a federal law or regulation relating to the use of dyed diesel fuel on the
13 highways.

14 (2) (i) A person may not sell or deliver dyed diesel fuel if the
15 person knows or has reason to know that the dyed diesel fuel will be consumed for a
16 prohibited on-highway use.

17 (ii) A person who dispenses dyed diesel fuel from a retail pump
18 that is not properly labeled with the notice required by subsection (a)(1) of this section,
19 or who knowingly delivers dyed diesel fuel into the storage tank of such a pump, shall
20 be presumed to know that the dyed diesel fuel will be consumed on the highway.

21 (c) A person may not:

22 (1) except as provided in subsection (b)(1) of this section, operate a
23 motor vehicle on a highway in the State with dyed diesel fuel in the propulsion tank of
24 the motor vehicle;

25 (2) sell or deliver dyed diesel fuel from a retail pump that is not
26 properly labeled as required under subsection (a) of this section;

27 (3) sell or deliver dyed diesel fuel from a petroleum delivery vehicle
28 into a propulsion tank of a motor vehicle; or

29 (4) refuse to permit inspection of a propulsion tank in accordance with
30 § 10-201(e) of this title.

31 **(D) A PERSON IS GUILTY OF A VIOLATION OF THIS SECTION IF THE**
32 **PERSON, WHETHER AS A PRINCIPAL, AN AGENT, OR AN ACCESSORY:**

33 **(1) COMMITS, ATTEMPTS TO COMMIT, OR CONSPIRES TO COMMIT**
34 **A VIOLATION OF THIS SECTION;**

1 **(2) AIDS OR ABETS ANOTHER IN THE COMMISSION OF A**
2 **VIOLATION OF THIS SECTION; OR**

3 **(3) INTENTIONALLY INDUCES, DIRECTS, CAUSES, COERCES, OR**
4 **PERMITS ANOTHER TO COMMIT A VIOLATION OF THIS SECTION.**

5 **[(d)] (E)** A person that violates any provisions of this section is guilty of a
6 misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or
7 imprisonment not exceeding 1 year or both.

8 **[(e)] (F)** In addition to any other penalty provided by law, the Comptroller
9 may assess against any person that violates any provision of this section dealing with
10 the use, sale, transportation, or storage of dyed diesel fuel:

11 (1) for the first violation, a fine of \$1,000 or \$10 per gallon of dyed
12 diesel fuel involved in the violation, whichever amount is greater; and

13 (2) for a second or subsequent violation, a fine equal to the amount of
14 the penalty assessed under item (1) of this subsection for the first violation multiplied
15 by the total number of violations.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2008.