

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

House Bill 669
Economic Matters

(Delegate Vaughn, *et al.*)

Finance

Business Regulation - Introduction of Additives into Gasoline - Authorization

This bill authorizes the Comptroller to authorize any person who holds a dealer license other than a Class “A” dealer license to introduce an additive into gasoline for resale or distribution if the person complies with specified current law and regulations, including regulations that (1) specify the method for introducing an additive into gasoline and (2) provide for the payment of the motor fuel tax.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: The Comptroller can implement the bill with existing resources. The bill is not anticipated to affect revenues from the motor fuel tax.

Local Effect: None.

Small Business Effect: Minimal or none.

Analysis

Current Law: A seller of gasoline in the State must register each additive introduced into the gasoline before selling it in the State. The registration must describe the additive and include the amount blended into each gallon of gasoline. An additive may only be introduced into gasoline for resale or distribution by a person who holds a Class “A” dealer license issued by the Comptroller.

A “dealer” means a person who (1) imports any gasoline into the State or (2) blends, refines, or acquires for export or wholesale distribution in the State any gasoline on which the motor fuel tax has not been paid.

Each dealer, manufacturer, refiner, or special fuel seller who imports motor fuel into the State must submit refinery specifications, including additive specifications, without regard to where the additives become part of the motor fuel. One or more components of the motor fuel, including an additive, may be designated as a trade secret.

The Comptroller issues multiple classes of dealer licenses that authorize various activities relating to the import, export, and acquisition of gasoline and other motor fuels. In general, to qualify for a Class “A” license, an entity must (1) blend or refine gasoline; (2) own or control and dedicate at least one million gallons of storage capacity in the State to gasoline and to special fuel; and (3) keep an inventory of at least 500,000 gallons of that gasoline and special fuel in the State. Other dealer license classes have various location and size requirements and authorize the licensee to import, export, or acquire gasoline subject to specified restrictions.

Background: All gasoline and diesel motor fuel additives are required to be registered with the U.S. Environmental Protection Agency (EPA) in accordance with federal regulations. EPA requires that the producer provide information on the purpose of each additive, its chemical composition, and methods of analysis for determining its presence in the fuel. The manufacturer must also submit any information it has on the effects of a fuel additive on emissions resulting from its use, including the extent to which such emissions affect the public health or welfare.

Additional Comments: The Comptroller advises that additives are essentially a method for branding fuels. For example, a dealer may advertise that its fuel keeps the engine clean. These additives often differentiate the gasoline that is most commonly sold by companies that are household names.

Additional Information

Prior Introductions: None.

Cross File: SB 447 (Senator Pugh, *et al.*) - Finance.

Information Source(s): Comptroller’s Office, U.S. Environmental Protection Agency, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2013
mc/mcr Revised - House Third Reader - March 20, 2013
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