

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1127
Finance

(Senator Kagan)

Business Regulation - Retail Service Station Dealers - Required Signs

This bill requires that a specified sign at all retail service stations state, clearly and visibly, the highest (as opposed to lowest, under current law) price for a whole measurement unit of regular gasoline sold on the premises. An exemption from the existing requirement for retail service station dealers who operate with up to three dispensing units and six combined nozzles is removed, thereby making the new requirement apply to all retail service station dealers. The bill also makes a conforming change to a provision related to optional signage.

Fiscal Summary

State Effect: The Comptroller can enforce the bill with existing budgeted resources. Revenues are not affected.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: Retail service stations (*i.e.*, retail businesses where motor fuel is sold) must meet various registration, inspection, and signage requirements. Failure to comply with provisions related to the inspection and sale of motor fuel is a misdemeanor and is subject to a maximum penalty of a \$5,000 fine and/or one year imprisonment.

A sign or other means on the premises and approaches to a retail outlet that advertises the retail price of motor fuel may list the price and each tax separately if the listing of the total

of the price and all taxes is the same size as the separate listing of the price. Even so, the sign must list the total of the price and all taxes by numerals of uniform size, subject to additional specified requirements.

Additional Signage Requirement

A retail service station dealer who operates more than three dispensing units that combined have more than six nozzles must comply with an additional signage requirement. Each nonexempt retail service station dealer must keep a sign on the premises that, in addition to meeting other specified requirements:

- states the *lowest* price for a whole measurement unit of regular gasoline sold on the premises;
- states the unit of measurement used; and
- is readable by passing motorists.

The required sign may also state the lowest price for a whole measurement unit of diesel and other motor fuel products sold on the premises. If a new or additional sign is required to comply with this requirement, the supplier of the gasoline must provide the sign and numerals without cost to the retail service station dealer.

Background: The Motor Fuel Tax Unit in the Comptroller's Office is responsible for monitoring the distribution and use of motor fuels in Maryland. Among other responsibilities, the unit registers service stations and other facilities that sell or store motor fuels in bulk in order to regulate the quality of motor fuel sold in Maryland. There are approximately 2,000 retail service stations in the State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Department of Legislative Services

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kb/mcr

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