

# HOUSE BILL No. 6018

June 15, 2004, Introduced by Reps. Amos, LaJoy, Vander Veen, Nitz, Garfield, DeRossett, Meyer, Hart, Caul, Pappageorge, Rocca, Hune, Sheen, Taub, Middaugh, Gaffney, Van Regenmorter, Pastor, Nofs and Cheeks and referred to the Committee on Agriculture and Resource Management.

A bill to amend 1984 PA 44, entitled  
"Motor fuels quality act,"  
by amending sections 4, 5, 10, 10a, and 10b (MCL 290.644,  
290.645, 290.650, 290.650a, and 290.650b), section 4 as amended  
by 2003 PA 116 and sections 5, 10a, and 10b as amended by 2002 PA  
13.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4. (1) A retail dealer shall not transfer, sell,  
2 dispense, or offer gasoline for sale in this state unless the  
3 pump dispensing the gasoline is posted with a notice, as provided  
4 in subsection (2), that indicates the grade of gasoline and the  
5 additives in the gasoline that are dispensed from the pump. If  
6 the gasoline contains at least 1% alcohol by volume, the notice  
7 shall state: "Contains (indicate the type of alcohol such as  
8 methanol, and if methanol the label shall state "alcohol:

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1 methanol", followed, in the same size type, by the concentration  
2 to the nearest whole percent)". If the gasoline contains  
3 alcohols or ethers that have a molecular weight greater than  
4 ethanol and are not mixed with methanol, those alcohols or ethers  
5 are not subject to the notice requirement of this section.  
6 Gasoline that contains 10% or less ethanol is not subject to the  
7 notice requirement of this section.

8 (2) The director shall design a uniform means of providing  
9 the notice required by subsection (1). The notice shall be  
10 designed in such a manner that the consumer can readily identify  
11 the grade of gasoline and the additives in the gasoline. The  
12 notice shall include a statement indicating that the gasoline  
13 dispensed from the pump meets the quality and purity standards  
14 established by the laws of this state and indicating the number  
15 of the 24-hour toll free consumer hot line maintained pursuant to  
16 section 7(2).

17 (3) The director shall include the design for the uniform  
18 notice required by this section in a rule promulgated under the  
19 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
20 24.328.

21 (4) A person who violates this section or rules promulgated  
22 pursuant to this section is liable for a civil fine not ~~to~~  
23 ~~exceed \$1,000.00~~ **less than \$5,000.00 or more than \$10,000.00** for  
24 each day of the continuance of the violation. A civil fine  
25 ordered pursuant to this section shall be submitted to the state  
26 treasurer for deposit in the gasoline inspection and testing fund  
27 created by section 8.

1       ~~(5) Subsection (1) shall not apply until 90 days after the~~  
2 ~~rule required by subsection (3) is promulgated.~~

3       Sec. 5. (1) Except as provided by federal law or  
4 regulation, in the manufacture of gasoline at any refinery in  
5 this state, a refiner shall not manufacture gasoline at a  
6 refinery in this state unless the gasoline meets the requirements  
7 in section 3. Except as provided by federal law or regulation, a  
8 blender shall not blend gasoline unless the finished blend meets  
9 the requirements in section 3.

10       (2) Except as provided by federal law or regulation, a  
11 distributor shall not sell or transfer to any distributor, retail  
12 dealer, or bulk purchaser-end user any gasoline unless that  
13 gasoline meets the requirements in section 3.

14       (3) A carrier or an employee or agent of a carrier, whether  
15 operating under contract or tariff, shall not cause gasoline  
16 tendered to the carrier for shipment or transfer to another  
17 carrier, distributor, or retail dealer to fail to comply, at the  
18 time of delivery, with the requirements in section 3.

19       (4) A person shall not knowingly sell, dispense, or offer  
20 for sale gasoline unless that gasoline meets the requirements in  
21 section 3.

22       (5) A refiner or distributor shall not transfer, sell,  
23 dispense, or offer gasoline for sale in this state to a  
24 distributor unless the refiner or distributor indicates on each  
25 bill, invoice, or other instrument evidencing a delivery of  
26 gasoline, the name of the wholesale distributor who received  
27 delivery of the gasoline.

1           (6) A distributor or refiner shall not transfer, sell,  
2 dispense, or offer gasoline for sale in this state to a retail  
3 dealer unless the distributor indicates on each bill, invoice, or  
4 other instrument evidencing a delivery of gasoline, the name and  
5 license number issued pursuant to this act, of the retail dealer  
6 who received delivery of the gasoline.

7           (7) A bill, invoice, or other instrument evidencing a  
8 delivery of gasoline issued by a refiner or distributor for  
9 deliveries of gasoline to purchasers who are not required to hold  
10 a license issued pursuant to the motor fuel tax act, 2000 PA 403,  
11 MCL 207.1001 to 207.1170, or this act shall clearly indicate the  
12 name and address and other information necessary to identify the  
13 purchaser of the gasoline.

14           (8) A bill, invoice, or other instrument evidencing a  
15 delivery of gasoline required by subsection (5), (6), or (7)  
16 shall include a guarantee that the gasoline delivered meets the  
17 requirements in section 3 and shall indicate the concentration  
18 range of alcohol in the gasoline, except for alcohols or ethers  
19 that have a molecular weight greater than ethanol and are not  
20 mixed with methanol or ethanol, or both, and shall indicate the  
21 possible presence, without regard to concentration range, of any  
22 alcohols or ethers that have a molecular weight greater than  
23 ethanol and are not mixed with methanol or ethanol, or both.

24           (9) A refiner, distributor, bulk purchaser-end user, or  
25 retail dealer shall not transfer, sell, dispense, or offer  
26 gasoline for sale unless that gasoline is visibly free of  
27 undissolved water, sediments, and other suspended matter and is

1 clear and bright at an ambient temperature or 70 degrees  
2 Fahrenheit, whichever is greater.

3 (10) A person who violates this section or rules promulgated  
4 under this section is liable for a civil fine not ~~to exceed~~  
5 **less than \$5,000.00 or more than \$10,000.00** for each day of the  
6 continuance of the violation. A civil fine ordered pursuant to  
7 this section shall be submitted to the state treasurer for  
8 deposit in the gasoline inspection and testing fund created by  
9 section 8.

10 Sec. 10. A person who hinders or obstructs in any way, or  
11 assaults or commits a bodily injury upon the director or an  
12 authorized representative of the director while in the  
13 performance of his or her official duties, knowing that person to  
14 be the director or an authorized representative of the director,  
15 shall be guilty of a misdemeanor, punishable by imprisonment for  
16 not more than 2 years, by a fine of not **less than \$5,000.00 or**  
17 more than ~~\$5,000.00~~ **\$15,000.00**, or both. In addition, any  
18 license issued or applied for pursuant to this act by a person  
19 convicted under this section shall be revoked or denied for 2  
20 years.

21 Sec. 10a. (1) A person who individually, or by the action  
22 of his or her agent or employee, or as the agent or employee of  
23 another violates this act or a rule promulgated under this act is  
24 subject to an administrative fine. Upon the request of a person  
25 to whom an administrative fine is issued, the director shall  
26 conduct a hearing ~~conducted~~ pursuant to the administrative  
27 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. A

1 fine authorized by this section shall be as follows:

2 (a) For a first violation, not less than ~~-\$100.00~~ **\$200.00** or  
3 more than ~~-\$500.00~~ **\$1,000.00**, plus actual costs of the  
4 investigation and double the amount of any economic benefit  
5 associated with the violation.

6 (b) For a second violation within 5 years after the first  
7 violation, not less than ~~-\$500.00~~ **\$1,000.00** or more than  
8 ~~-\$1,000.00~~ **\$2,000.00**, plus actual costs of the investigation and  
9 double the amount of any economic benefit associated with the  
10 violation.

11 (c) For a third violation within 5 years after the date of  
12 the first violation, not less than ~~-\$1,000.00~~ **\$2,000.00** or more  
13 than ~~-\$2,000.00~~ **\$4,000.00**, plus actual costs of the  
14 investigation and double the amount of any economic benefit  
15 associated with the violation.

16 (2) A decision of the director under this section is subject  
17 to judicial review as provided by law.

18 (3) The director shall advise the attorney general of the  
19 failure of any person to pay an administrative fine imposed under  
20 this section. The attorney general shall bring an action in  
21 court of competent jurisdiction to recover the fine.

22 (4) Any administrative fine, costs, and the recovery of any  
23 economic benefit associated with a violation collected under this  
24 section shall be paid to the state treasury and deposited into  
25 the gasoline inspection and testing fund.

26 Sec. 10b. (1) A person who individually, or by the action  
27 of his or her agent or employee, or as the agent or employee of

1 another, performs any of the following is guilty of a misdemeanor  
2 punishable by imprisonment for not more than 90 days, or a fine  
3 of not less than ~~-\$1,000.00~~ **\$5,000.00** or more than ~~-\$2,000.00~~  
4 **\$15,000.00**, or both:

5 (a) Renders less effective or inoperable any part of a stage  
6 I or stage II vapor-recovery system.

7 (b) Makes a false statement, representation, or  
8 certification on an application, report, plan, label, or other  
9 document that is required to be maintained under this act or  
10 rules promulgated under this act.

11 (c) Fails to disclose to the department any knowledge or  
12 information relating to or observation of any modification of a  
13 stage I or stage II vapor-recovery system which makes the system  
14 less effective or inoperable, or falsification of records  
15 required to be maintained under this act or rules promulgated  
16 under this act.

17 (d) Removes a tag, seal, or mark placed on a dispensing  
18 device by the director.

19 (e) Violates this act or a rule promulgated under this act  
20 for which a specific penalty is not prescribed.

21 (2) A person who individually, or by the action of his or her  
22 agent or employee, or as the agent or employee of another,  
23 performs any of the following acts is guilty of a misdemeanor  
24 punishable by imprisonment for not more than 90 days, or a fine  
25 of not less than ~~-\$2,000.00~~ **\$5,000.00** or more than ~~-\$10,000.00~~  
26 **\$15,000.00**, or both:

27 (a) Violates a prohibited act listed in this section within

1 24 months after another violation of this section that results in  
2 a conviction.

3 (b) Impersonates in any way the director or any department  
4 inspector.

5 (3) A person who individually, or by the action of his or her  
6 agent or employee, or as the agent or employee of another,  
7 performs any of the following acts is guilty of a felony  
8 punishable by imprisonment for not more than 2 years, or a fine  
9 of not less than \$10,000.00 or more than \$15,000.00, or both:

10 (a) Intentionally commits a prohibited act under this  
11 section.

12 (b) Violates a prohibited act listed in this section within  
13 24 months after 2 previous violations of this section that result  
14 in convictions.

15 (4) If a violation of this section results in a conviction,  
16 the court shall assess against the defendant the costs of the  
17 department's investigation, and these costs shall be paid to the  
18 state treasury and deposited in the gasoline inspection and  
19 testing fund to be used for the enforcement of this act.