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BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

• (517) 373-5383

Senate Bill 771

Sponsor: Senator Vern Ehlers

Committee: Natural Resources and Environmental Affairs

Date Completed: 2-20-90

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SUMMARY OF SENATE BILL 771 as introduced 1-31-90:

The bill would amend the Underground Storage Tank Financial Assurance Act to specify that regulatory fees under the Act would have to be calculated and paid based on the "gross or metered gallons with respect to all 'light' petroleum products", and on the "net or temperature-corrected gallons" for "heavy" petroleum products (i.e., no. 4, 5, or 6 residual oils).

In addition, the bill would require the Department of Natural Resources to collect regulatory fees from a person in this State who received refined petroleum products, pursuant to a "product exchange agreement", for resale or consumption within Michigan. "Product exchange agreement" would mean an agreement between buyers and sellers under which bulk quantities of refined petroleum products were made available to a person for that person's making available to the supplier a like volume of refined petroleum products at another location.

Proposed MCL 299.808a

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would clarify the measurement and recordkeeping methods for collecting tax revenue from petroleum products and have no anticipated fiscal impact on State or local government. This assumes that "net or temperature corrected" gallons and the "product exchange agreement" are standard industry practices under the Motor Fuel Tax Collection program currently in place.

Fiscal Analyst: G. Cutler

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.