



Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

VAPOR RECOVERY SYSTEMS

Senate Bill 726 with House committee amendments

Sponsor: Sen. Phil Hoffman
Senate Committee: Natural Resources and Environmental Affairs
House Committee: Conservation, Environment and Great Lakes

Complete to 11-10-93

A SUMMARY OF SENATE BILL 726 AS REPORTED BY THE HOUSE COMMITTEE ON CONSERVATION, ENVIRONMENT AND GREAT LAKES:

The bill would amend the Motor Fuels Quality Act (MCL 290.642 et al.) to implement a Stage I and Stage II Vapor Recovery Program, as part of the state's efforts to comply with the federal Clean Air Act amendments. The requirements would apply to gas stations located in areas of the state that have been designated as "ozone nonattainment" areas classified as moderate, serious, severe, or extreme by the federal Environmental Protection Agency. Stations dispensing at least 100,000 gallons of gasoline per month would have to comply with the bill's requirements for Stage I and Stage II vapor recovery systems (and register with the Department of Agriculture and pay a \$25 permit fee) within one year of the bill's effective date. Smaller stations would have two years to comply (although certain small operations would be exempted; see below).

Stage I Vapor Recovery Program. The bill would require the use of a vapor tight collection system designed to capture gasoline vapors released during transmission of gasoline from delivery trucks into gas station storage tanks. The system would have to be approved by the Department of Agriculture, and would have to return at least 90 percent of the displaced gasoline vapors to the delivery truck. Delivery trucks would have to be certified by the Department of Natural Resources as "vapor tight" by meeting the requirements of administrative rule. The bill would list specific equipment and operations requirements for gas stations.

Stage II Vapor Recovery Program. The bill would require the use of a gasoline dispensing system by gas stations in nonattainment areas that would prevent at least 95 percent of the volatile organic compounds from being emitted during refueling of automobiles. Gas stations would have to meet specific equipment requirements (special valves and nozzles installed on gas pumps) and have their systems certified by the Department of Agriculture. The bill lists specific equipment malfunctions and damage that would constitute noncompliance with the requirements. Station operators would have to maintain vapor recovery systems in proper operating condition and would have to close down pumps for which the vapor recovery system was impaired. Operators would have to make weekly inspections of their equipment for compliance with the bill's requirements, and would have to have equipment recertified at least every five years. Also, each gas station

Senate Bill 726 (11-10-93)

would have to have at least one employee who had completed training provided by the department on the purpose and operation of vapor recovery systems, and stations would have to keep records on the operation, maintenance and training required to operate vapor recovery systems.

Department of Agriculture responsibilities. The department would promulgate rules to implement the bill; inspect each gas station at least once per year for compliance with the bill's requirements; and investigate complaints and violations. If vapor recovery equipment was inspected and found to be out of compliance, the department could shut down the equipment, order specific actions be taken, or confiscate and destroy equipment if it was not corrected as ordered. The director of the department would be authorized to issue "stop-use orders, hold orders, or removal orders" for vapor recovery and gasoline dispensing equipment in order to enforce the bill, or to seize equipment found to be used in violation of the bill. For purposes of enforcement, the director would have the power of a peace officer, and could petition a court for temporary restraining orders or permanent injunctions to restrain persons from violating the bill.

Exemptions. Certain gas stations would be exempt from the requirements of the bill, including those that dispensed less than 10,000 gallons of gasoline per month, on average, in any 12-month period of operation, and that always stayed below that threshold. In addition, a station owned by an "independent small business marketer of gasoline" that had sales of less than 50,000 gallons of gasoline per month, had fewer than seven gas pumps, and was not affiliated with a refiner would be exempt from the Stage II vapor recovery system requirements, but not from the Stage I requirements.

Violations. A violation of the bill would result in the levying of an administrative fine ranging from \$50 to \$500, plus actual costs of the investigation and the amount of any economic benefit associated with the violation. A violation would also be a misdemeanor, punishable by up to 90 days imprisonment, a criminal fine of from \$1,000 to \$2,000, or both. Violations would include: making a vapor recovery system ineffective or inoperative, making a false statement in applications or other documents, failing to disclose knowledge of tampering with a vapor recovery system, falsification of records, removing a tag placed on a gas pump by the department, or other violation of the bill or its rules. Further, a second violation within 24 months, or impersonation of departmental personnel, would constitute a misdemeanor punishable by up to 90 days imprisonment, a fine of from \$2,000 to \$5,000, or both. An intentional violation of the bill, or a third violation within 24 months, would constitute a felony, punishable by imprisonment for up to two years, a fine of from \$5,000 to \$10,000, or both.

Suspension of requirements. The bill would allow the director of the Department of Agriculture to suspend the requirements of the Stage I and Stage II vapor recovery programs for any area of the state that was formally redesignated by the EPA as an "attainment area". However, the director would retain the authority to implement the program as a contingency measure. Further, the bill would require the director to suspend the Stage II requirements when the EPA promulgated final rules pertaining to onboard vehicle vapor control (a vapor control system incorporated into vehicle design). In this case, the director would retain the authority to reimplement the program as a contingency

measure if an actual ozone violation was observed in the affected area. This provision would apply specifically to Macomb, Oakland, Washtenaw, Wayne, Kent, Muskegon and Ottawa Counties. Further, the bill would specify that, for Kent, Muskegon and Ottawa Counties, the director would retain the authority to implement the Stage II requirements if those counties did not achieve redesignation by the EPA as an "attainment area."