



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1109 (as reported by the Committee of the Whole)
Sponsor: Senator Jud Gilbert, II
Committee: Technology and Energy

CONTENT

The bill would amend the Motor Fuel Tax Act to repeal Section 1124, which prohibits a person from selling or knowingly purchasing any motor fuel or other product for use in the fuel supply tank of a motor vehicle for use on the public roads or highways of this State that does not meet ASTM (American Society for Testing and Materials) standards for motor fuel or other products as published in the Annual Book of Standards and its supplements.

Section 1124 also provides that it is the responsibility of a transporter or a transporter's agent to dispose of any motor fuel or other product that violates the standards. The transporter or the transporter's agent must dispose of the motor fuel or other product in accordance with Federal and State law.

A person who knowingly violates or knowingly aids and abets another to violate Section 1124 is guilty of a felony.

The bill is tie-barred to Senate Bill 1074, which would temporarily impose a 12-cents-per-gallon tax on gasoline that is at least 70% ethanol and diesel that contains at least 5% biodiesel, instead of the taxes of 19 cents per gallon and 15 cents per gallon imposed currently on gasoline and diesel, respectively; and allow a supplier to claim a deduction of three cents per gallon on fuel containing at least 5% biodiesel and seven cents per gallon on fuel containing at least 70% ethanol.

MCL 207.1124

Legislative Analyst: Julie Koval

FISCAL IMPACT

To the extent that no offenders have been convicted of violating Section 1124 between 2000 and 2003, there would be no fiscal impact on State government.

Date Completed: 4-19-06

Fiscal Analyst: Lindsay Hollander