

# HOUSE BILL REPORT

## HB 2053

---

**As Reported by House Committee On:**  
Public Safety & Emergency Preparedness  
Finance

**Title:** An act relating to improving the availability of motor vehicle fuel in the event of an electric power outage or interruption in electric service.

**Brief Description:** Providing for improved availability of motor vehicle fuel during power outages or interruptions in electrical service.

**Sponsors:** Representatives Goodman, Springer, O'Brien, Dunshee, Eddy, Blake, Lovick, Uptegrove, Green, Simpson and Hurst.

**Brief History:**

**Committee Activity:**

Public Safety & Emergency Preparedness: 2/14/07, 2/26/07 [DPS];

Finance: 3/5/07 [DP2S(w/o sub PSEP)].

**Brief Summary of Second Substitute Bill**

- Requires firms that operate or own 10 or more motor fuel retail outlets in a single county to install wiring and transfer switches capable of operating the retail outlet using a portable generator.
- Requires firms to maintain at least one portable generator for one of every 10 of its motor fuel retail outlets.
- Phases in mandate over 3 years.
- Allows a business and occupation tax credit of 50 percent of installation cost up to \$20,000.

---

**HOUSE COMMITTEE ON PUBLIC SAFETY & EMERGENCY PREPAREDNESS**

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives O'Brien, Chair; Hurst, Vice Chair; Goodman and Lovick.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Pearson, Ranking Minority Member; Ross, Assistant Ranking Minority Member and Ahern.

**Staff:** Alison Hellberg (786-7152).

**Background:**

Availability of motor fuel is often extremely limited during a prolonged electrical power outage. During the 2004 and 2005 hurricane seasons, Florida experienced severe shortages of motor fuel and emergency supplies. In an effort to improve that state's disaster preparedness, Florida enacted the "Disaster Motor Fuel Supplier Program." This program allows motor fuel retail outlets to participate in a network of emergency responders to provide fuel supplies and services to government, medical, critical infrastructure and other responders, as well as the general public in a disaster.

---

**Summary of Substitute Bill:**

Corporations or entities that operate, own, or franchise 10 or more motor fuel retail outlets within a single county must:

- install appropriate wiring and transfer switches in one out of every 10 of its motor fuel retail outlets to be capable of operating fuel pumps and payment acceptance equipment using an alternate generated power source in the event of an electric power outage; and
- maintain at least one portable generator that is capable of providing an alternate power source for one of every 10 motor fuel retail outlets.

Motor fuel retail outlets are defined as facilities that sell, at retail, motor fuel to the general public. The equipment must be fully operational at all times and capable of functioning immediately in the event of an electric power outage. Installation of equipment must be performed by a certified electrical contractor and proof of installation must be made available upon request.

The Department of Agriculture (Department) enforces this act in conjunction with its enforcement duties under chapter 19.94 RCW, Weights and Measures. The Department may perform inspections or respond to complaints. A violation of this act is a class 1 civil infraction. In the event of a power outage due to a disaster, there is an additional penalty of \$500 per day. A disaster is defined as any natural, technological, or civil emergency that results in a declaration of a state of emergency by a county, the Governor, or the President of the United States.

A lifetime tax credit is available of 50 percent of the cost of installation of appropriate wiring and transfer switches or \$20,000, whichever is less.

### **Substitute Bill Compared to Original Bill:**

The substitute bill requires corporations or entities that operate, own, or franchise 10 or more motor fuel retail outlets in a single county to install appropriate wiring and transfer switches and maintain at least one portable generator in one out of every 10 of its motor fuel retail outlets.

The Department of Agriculture, in conjunction with its enforcement of weights and measures, is charged with enforcement of this act. A person not in compliance commits a class 1 civil infraction. In addition to this penalty, in the event of a power outage, a person is subject to a civil penalty of \$500 a day. It is clarified that the \$500 a day penalty is only applicable in the event of a disaster. Disaster is defined as any natural, technological, or civil emergency that results in a declaration of a state of emergency by a county, the Governor, or the President of the United States.

The tax credit is increased to 50 percent of the cost of installation of appropriate wiring and transfer switches or \$20,000, whichever is less.

---

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 26, 2007.

**Effective Date of Substitute Bill:** The bill takes effect October 1, 2007.

### **Staff Summary of Public Testimony:**

(In support) The power outages this past fall in the 45th Legislative District left many people without any access to motor fuel. People were frightened and didn't know how far they would be able to go. This bill mandates that gas stations be able to function in the event of an emergency, but gives owners some help by including a tax credit.

(Opposed) There is enough warning of storms to give people time to prepare. This is really an issue of changing human behavior. The situation in Washington is much different from that of Florida. Typically this state has power back within 24 - 48 hours. There are also problems with lack of food and shelter during disasters - if lawmakers want to address emergency preparedness they should do so globally. It is unfair to just target one type of business.

**Persons Testifying:** (In support) Representative Goodman, prime sponsor.

(Opposed) Greg Hanon, Western States Petroleum Association.

**Persons Signed In To Testify But Not Testifying:** None.

---

## **HOUSE COMMITTEE ON FINANCE**

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Public Safety & Emergency

Preparedness. Signed by 5 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Ericks, McIntire and Santos.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Orcutt, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Conway and Roach.

**Staff:** Rick Peterson (786-7150).

**Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Public Safety & Emergency Preparedness:**

The second substitute bill phases in the mandate to install wiring and transfer switches over three years. The number of franchise motor fuel retail outlets are no longer counted for purposes of the mandate.

**Appropriation:** None.

**Fiscal Note:** Fiscal note for second substitute bill requested on March 6, 2007.

**Effective Date of Second Substitute Bill:** The bill takes effect October 1, 2007..

**Staff Summary of Public Testimony:**

(In support) None.

(Opposed) The fiscal impact of this proposal is detrimental to fuel stations, especially in areas without a high volume of traffic. The bill requires service station operators to incur many new expenses, including \$60,000 for the hookup and upgrade of the station and \$40,000 for the generator. The storm that resulted in support for this legislation created a temporary emergency situation and most stations were operating again within hours or days, and therefore the storm does not render this legislation necessary. Moreover, a storm of this magnitude happens only once every few decades. More appropriate legislation would provide an incentive for gas stations to incorporate these new measures rather than mandate them to do so.

**Persons Testifying:** (Opposed) Greg Hanon, Western States Petroleum Association; and Charlie Brown, Washington Oil Marketers Association.

**Persons Signed In To Testify But Not Testifying:** None.