

SENATE BILL REPORT

SB 5195

As of January 23, 2023

Title: An act relating to fuel price transparency.

Brief Description: Addressing fuel price transparency.

Sponsors: Senators Hunt, Gildon and Wilson, C..

Brief History:

Committee Activity: Transportation: 1/23/23.

Brief Summary of Bill

- Directs the Washington State Department of Agriculture (WSDA) to adopt rules for the calculation and displaying of the price per gallon of motor fuel, rounded to the nearest whole cent.
- Provides that it is a violation of law to not comply with fuel pricing rounding provisions, and allows WSDA to impose civil penalties ranging from \$100 to \$10,000 per occurrence.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Bryon Moore (786-7726)

Background: The Washington State Department of Agriculture (WSDA) is responsible for the administration of the Motor Fuel Quality Act (MFQA) which provides a regulatory structure and quality specifications for liquid motor fuels, except aviation fuel, marine fuel, and liquefied petroleum gases. The MFQA includes authority to adopt and implement rules dealing with registration, fuel testing, inspection, and enforcement actions related to liquid motor fuel.

The actions the MFQA specifies are unlawful include:

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- marketing motor fuels in any manner that may deceive or tend to deceive the purchaser as to the nature, price, quantity, and quality of a motor fuel;
- failing to register a motor fuel;
- submitting incorrect, misleading, or false information regarding the registration of a motor fuel; and
- hindering or obstructing WSDA in the performance of their responsibilities.

Violations of the MFQA are a gross misdemeanor. WSDA may also impose a civil penalty ranging from \$100 to \$10,000 per violation, depending on the frequency and gravity of the violation. The civil penalty revenues are deposited into the Motor Vehicle Fund.

Summary of Bill: WSDA is directed to adopt rules that require the calculations and displaying of the price per gallon of motor fuel, rounded to the nearest whole cent. The rules must require that labeling and posting of prices at the pump, on the receipt, and signage at the establishment reflect only the per gallon price rounded to the nearest whole cent.

Violations of the rounding requirements would be subject to the civil penalties, but would not be classified as a gross misdemeanor.

Appropriation: None.

Fiscal Note: Requested on January 19, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2024.

Staff Summary of Public Testimony: PRO: The way that fuel prices are displayed with nine-tenths of a cent in price deceives the consumer and does not accurately reflect the true price paid per gallon. This bill is about consumer protection and transparency. If the price were rounded up by a one-tenth of a cent, the resources would more than cover the administrative costs to implement this change.

OTHER: The provisions of the bill align with the Washington State Department of Agriculture's other responsibilities dealing with motor fuel. Given appropriate resources, we can implement the bill and the new requirements.

Persons Testifying: PRO: Senator Sam Hunt, Prime Sponsor.

OTHER: Kelly McLain, Washington State Department of Agriculture.

Persons Signed In To Testify But Not Testifying: No one.