

APMA LEGISLATIVE WRAP-UP 2007

*APMA ANNUAL CONFERENCE
August 20, 2007
Andrea Martincic
Executive Director*

2007 LEGISLATIVE STATISTICS

- ▶ 48TH Legislature 1st Regular Session
- ▶ Adjourned: 6/20/07 at 10:58 pm
- ▶ Session lasted 164 days: Same in 2006—ranks as 5th longest session in AZ's history
- ▶ 1,434 Bills Posted
- ▶ 318 Bills Passed
- ▶ 22 Bills Vetoed
- ▶ 296 Bills Signed
- ▶ Bills passed this session become effective September 19, 2007 unless otherwise specified.

APMA'S LEGISLATIVE PROCESS

- ▶ Legislative Committee meets prior to legislative session (fall & winter) to review and prioritize likely issues.
 - ▶ During first month of session bills of interest are placed on a tracking list.
 - ▶ Legislative Committee meets regularly during session to re-evaluate bills and APMA's position.
 - ▶ APMA Board approves all positions taken by the Legislative Committee.
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2007 LEGISLATIVE TRACKING

- ▶ APMA tracked a total of 22+ bills in 2007
- ▶ Some issues on 2007 Tracking List:
 - Commercial Driver Licenses
 - Environmental Lawsuits
 - Air Quality Hearings/ Notices
 - Air Quality; Vapor Recovery
 - Motor Fuel Taxes (3 different bills introduced)
 - Worker's Compensation; Premium Reduction
 - Liquor & Tobacco Sales; Proximity to Schools
 - Price Gouging; Emergencies
 - Bad Checks; Classification
 - UST's
 - Diesel Fuel Standards; Low Sulfur
 - Air Quality; Local Ordinances

THE GOOD



SB 1455: DIESEL FUEL STANDARDS; LOW SULFUR

- ▶ All model year 2007 & later highway diesel vehicles and engines must use ULSD (15ppm or less) instead of low-sulfur diesel fuel (500ppm)
- ▶ Labeling requirements for dispensers of low and ultra-low sulfur diesel fuel and information which must be given to buyers of motor fuel are established.
- ▶ Enactment conditional upon federal approval of changes to the SIP by November 1, 2007.

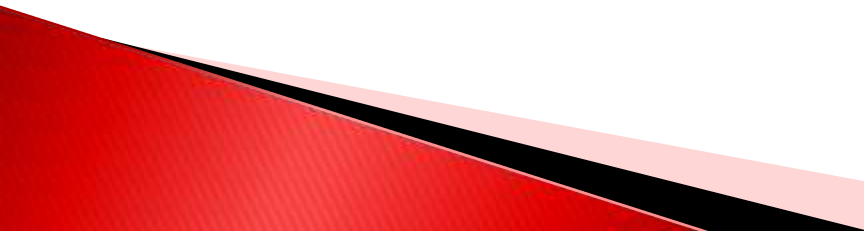
SB 1455

- ▶ APMA pursued SB 1455, preferring to see local compliance & enforcement of the federal ULSD standards rather than federal EPA.
 - ADWM already inspects sites for fuel quality
 - ADWM can turn around the testing of diesel samples faster.
 - ADWM will contact the marketer/retailer with the test results.
 - The faster a marketer/retailer finds out that a batch of fuel is out of spec, the quicker the fuel can be downgraded and re-labeled to better protect customers.
 - ADWM will be able to communicate with the industry better and can more easily alert industry to compliance problems they are encountering in the field than EPA.

SB 1455

- ▶ If a retailer is found out of compliance for the ULSD fuel standard, ADWM can levy a fine up to \$500/day)
- ▶ EPA ULSD non-compliance fee is \$32,500/day
- ▶ However, EPA can still choose to over file for a ULSD violation
 - Unlikely if ADWM is actively inspecting and maintaining the state compliance and enforcement program.
 - In APMA's best interest to support local compliance and enforcement.
 - **Signed by the Governor, April 27, 2007**
(Chapter 145, Laws 2007)

SB 1310: UNDERGROUND STORAGE TANKS

- ▶ A UST owner/operator can only receive up to 90% coverage from the UST SAF for costs above those for which they are liable—instead of 100% coverage.
 - ▶ Costs associated with a single UST facility cannot be covered by the SAF more frequently than once a month.
 - ▶ **APMA Supported.**
 - ▶ **Signed by the Governor, April 18, 2007
(Chapter 103, Laws 2007)**
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THE BAD



HB 2334: AIR QUALITY; VAPOR RECOVERY

- ▶ Would have required Stage II Vapor Recovery Systems at all gasoline stations in Area B (Tucson).
- ▶ Sponsored by freshman legislator, Representative Farley (Tucson).
- ▶ APMA OPPOSED HB 2334:
 - Tucson is an attainment area
 - Estimated cost to gasoline retailers– \$23.5 million
 - 80% of Stage II equipment is underground requiring major overhauls and expense.
- ▶ Failed in House Environment on 2/14 by a vote of 2–7.

THE UGLY

SB 1552: Air Quality Regulations; Local Ordinances

- ▶ Viewed as a necessary and critical piece of legislation by many lawmakers to address Area A's PM-10 problem (particulate and ozone problems).
- ▶ Numerous changes to air quality regulations in Active Management Areas in the state (Area A & Area B).
 - Restrictions on leaf blower use
 - Stricter rules for dust control at construction sites
 - Ban on outdoor burning on high pollution advisory days
 - Measures to get cities and counties to hold the dust down on unpaved roads, shoulders and alleys.
- ▶ **Creates an Active Management Area "C" defined as certain portions of Pinal County.**

SB 1552: NEW AREA “C”

- ▶ Beginning June 1, 2008, all gasoline sold in Area “C” must comply with either specified fuel reformulation options established in federal regulations or those adopted by CARB. (CBG–summer only for Area “C”)
- ▶ Suppliers may petition the ADEQ for exemptions if meeting the standards would cause an “imminent” gasoline shortage.
- ▶ Beginning June 1, 2008, a retail seller or fleet owner in Area “C” is prohibited from storing or selling fuel or lubricating oil that fails to meet the air quality standards established by the ADEQ and ADWM.
- ▶ Enhances Pinal County’s Air Quality Department to look at additional air quality preventative control measures.

APMA'S POSITION ON SB 1552

- ▶ APMA communicated repeatedly with the Governor's Office, legislative leadership, the bill sponsor, ADEQ and ADWM on the following:
 - CBG SUPPLY AVAILABILITY FOR UNBRANDED MARKETERS
 - THE IMPACT ON CONSUMERS IN RELATION TO SUPPLY AND DEMAND AND DECREASED COMPETITION
 - AFFECT ON MARKETERS DOING BUSINESS IN PINAL AND PIMA COUNTY—BULK STORAGE CONCERNS AND INCREASED LOADING TIMES
 - PROLIFERATION OF COUNTY AIR QUALITY REGULATIONS AND ENFORCEMENT.
 - TRANSITION WILL NOT BE FACILITATED BY PIPELINE—MARKETERS & RETAILERS RESPONSIBLE!

- ▶ **Signed by the Governor, July 2, 2007
(Chapter 292, Laws 2007)**

AZ LEGISLATURE 2008

- ▶ Legislative session begins January 14, 2008
- ▶ Potential Issues in 2008:
 - UST related legislation: Delivery Prohibition, secondary containment, and operator training
 - Legislation related to W&M fuel rule and vapor recovery program rule.
 - Potential tax credits/incentives for renewable fuels
 - Automatic Temperature Correction
 - Price Gouging
 - Credit Card Interchange Fees
 - Eliminate the two Diesel Tax Rates