HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 603 Gasoline Stations
SPONSOR(S): Flores
TIED BILLS: **IDEN./SIM. BILLS:** SB 530

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture Committee		Kaiser	Reese
2) Domestic Security Committee			
3) Governmental Operations Committee			
4) State Resources Council			
5)			

SUMMARY ANALYSIS

HB 603 requires all motor fuel retail outlets to be equipped with an alternative means of power generation on site for use during a primary power outage. The bill requires the alternative means of power to be maintained and kept fully operational at all times.

Motor fuel retail outlets with a certificate of occupancy issued on or after June 1, 2006 must be in compliance with HB 603 at the point of issuance of the certificate of occupancy. Motor fuel outlets that obtained a certificate of occupancy before June 1, 2006, have until December 1, 2007 to come into compliance.

The bill provides penalties for violation of the act. The effective date of this legislation is June 1, 2006. The bill does not appear to fiscally impact state or local government.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: The bill requires all gasoline stations to be equipped with a backup power system or other alternative pumping system.

Maintain public security: The bill provides a means for consumers to access fuel after disaster related events.

B. EFFECT OF PROPOSED CHANGES:

In light of the active hurricane seasons Florida suffered over the past few years, it became apparent that certain holes existed in emergency preparedness plans in the state. While many motor fuel retail outlets had fuel in their storage tanks during widespread power outages, they lacked the power to pump the fuel. This situation created numerous difficulties.

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The bill provides that a violation of HB 603 is a misdemeanor of the second degree, punishable by imprisonment not to exceed 60 days or a fine not exceed $500.[1]

C. SECTION DIRECTORY:

Section 1: Creates the "Consumer Emergency Gasoline Act"; requiring retail gasoline stations to be equipped with alternative power sources to be used in case of power outage; providing a period of compliance; and, providing a penalty.

Section 2: Provides an effective date of June 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None

2. Expenditures:

   None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None

[1] Sections 775.082 or 775.083, F.S.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The Department of Agriculture and Consumer Services (department) states the total fiscal impact on the private sector is unknown. However, the department estimates the cost of the modification for each facility, required by this legislation, would range from $2,200 to $20,000. The current number of facilities in Florida which dispense gasoline is 9,226. If all of these facilities were required to comply with the requirements of the bill, the department estimates the total cost could range from $20,297,200 to $184,520,000. (Please see the Fiscal Comments section for an explanation of these amounts.)

D. FISCAL COMMENTS:

There are many variables which must be taken into account when determining the cost of the generator and installation. The department states that the estimate range is very uncertain and would require significant additional studies to refine. Factors to consider include:

- How many pumps are present (the pump located in the tank).
- The type of each pump.
- The amperage of each pump.
- How many devices are present (a device is the above-ground mechanism used for fueling).
- The type of each device.
- The amperage of each device.
- What the generator will be required to power (i.e. pumps, devices, cash register, lights, etc.).
- Generator features (gas, diesel, liquefied petroleum gas, or natural gas).
- Maintenance costs (not included in Section C., Direct Economic Impact on Private Sector).

There are currently 9,226 gas stations in Florida. Gas stations may have as few as three to six devices to as many as 90 devices (including diesel truck fueling). According to the department, which consulted with local contractors, a small generator, suitable for powering a couple of devices and pumps, will cost approximately $2,200 to $4,200 installed. A large generator, suitable for powering all pumps and devices at a large gas station will cost approximately $15,000 to $20,000 installed.

The estimated range of total cost for implementation of this legislation quoted in Section C., Direct Economic Impact on Private Sector, was derived using the following calculations:

- 9,226 gas stations x $2,200/generator = $20,297,200 (low end of estimated range)
- 9,226 gas stations x $20,000/generator = $184,520,000 (high end of estimated range)

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

2. Other:

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

NA