

STATEMENT OF SCOPE

Department of Safety and Professional Services

Rule No.: Chapter SPS 305

Relating to: Liquefied gas suppliers

Rule Type: Permanent

1. Finding/nature of emergency (Emergency Rule only):

N/A

2. Detailed description of the objective of the proposed rule:

The objective of the proposed rule is to reflect the provisions of 2015 Wisconsin Act 327, which changes the financial responsibility requirements for retailers of liquefied petroleum gas.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

Current rules authorize a person applying for or holding a liquefied gas supplier or liquefied gas supplier – restricted license to have either 1) a surety bond, 2) an irrevocable letter of credit, or 3) commercial general liability insurance as the proof of financial responsibility required under s. 101.16, Stats. The proposed rule would amend s. SPS 305.73 to reflect the provisions of 2015 Wisconsin Act 327, which, effective October 1, 2016, eliminates the first 2 options listed above. Under the Act, a person applying for or holding a liquefied gas supplier or liquefied gas supplier – restricted license is required to have commercial general liability insurance.

If the rules are not updated, they will not reflect the provisions of 2015 Wisconsin Act 327.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

Section 101.02 (1), Stats., provides “[t]he department shall adopt reasonable and proper rules and regulations relative to the exercise of its powers and authorities and proper rules to govern its proceedings and to regulate the mode and manner of all investigations and hearings.

Section 101.16 (3g) (a), Stats., as amended effective October 1, 2016, by 2015 Wisconsin Act 327 provides “[n]o retailer may distribute liquefied petroleum gas without holding a license issued by the department. The department, subject to s. 101.02 (20) and (21), shall issue a license to be a retailer upon receiving the fee established under s. 101.19 (1g) (L) or (1m) and upon the retailer's obtaining commercial general liability insurance as required under sub. (3r) (c). The term of the license shall be set by the department, not to exceed 2 years.”

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

30 hours

6. List with description of all entities that may be affected by the proposed rule :

Individuals applying for or holding a Wisconsin license as a liquefied gas supplier or liquefied gas supplier - restricted.

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule :

None.

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

The proposed rule will have minimal to no economic impact on small businesses and the state's economy as a whole.

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