



TOM TIFFANY

STATE SENATOR • 12TH SENATE DISTRICT

Testimony on Senate Bill 587
Senate Committee on Transportation and Veterans Affairs
February 17, 2016

Mr. Chairman and members of the committee, thank you for hearing testimony on Senate Bill 587 this afternoon.

Small business owners across rural regions of the state still own and maintain older gasoline pumps, in which the price per gallon displayed is finite. Depending on the age of the pump, the price per gallon display may not exceed \$1.99, \$2.99, etc. Currently, owners of these pumps, approximately 41 locations, simply price the gallon of gasoline fractionally when gas prices rise over the pumps' limit. For instance, many owners display the cost of ½ gallon and explain that the amount displayed is doubled to obtain the customers' cost per gallon.

This method has worked for many pump owners, however, the Weights & Measures and Petroleum Inspection Division (Department of Agriculture, Trade and Consumer Protection) found many of these pumps noncompliant during inspection, because state law requires motor fuel prices to be advertised by the gallon.

Although economic conditions for oil currently have gasoline prices at recent lows that are providing a temporary alleviation to this problem, the volatility of the oil market may likely bring this problem to attention in the future. The high expense of installing new pumps and low profit margins due to the low volume of fuel sales in rural areas leaves the installment of new pumps or interfaces cost prohibitive.

This proposal would alleviate the burden on these pump owners by allowing for the advertisement of gasoline prices by the half-gallon for pump owners that sell less than 15,000 gallons annually. I encourage your support for this proposal.

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SB 587 – Advertising Motor Fuel Prices by the Half-Gallon Senate Committee on Transportation and Veterans Affairs February 17th, 2016

Thank you for the opportunity to testify today on Senate Bill 587. This bill changes the law from requiring motor fuel prices to be advertised by the gallon, to say that a person who sells less than 15,000 gallons of motor fuel in Wisconsin per year can advertise their prices by the half-gallon.

This bill came about after discussion with Mom-&-Pop tavern owners who sell fuel for recreational vehicles. Currently, many of these places have older fuel pumps that only will show prices up to \$2.99. Therefore, many of the owners display the cost of fuel per ½ gallon and explain that the displayed amount needs to be doubled. However, the Weights & Measures and Petroleum Inspection Division of the Department of Agriculture, Trade, and Consumer Protection has deemed this method to be out of compliance and is requiring the owners to make changes. In order to come into compliance the small-scale proprietors would have to purchase new pumps, of which the cost outweighs any benefit of selling fuel.

This bill has received support from the Wisconsin Petroleum Marketers & Convenience Store Association and the Tavern League of Wisconsin and I ask for your support of SB 587.

Thank you again and I am happy to answer any questions that you may have about this bill.