

LIQUIFIED PETROLEUM GAS TRANSFER

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Senate Bills 927 and 928

Sponsor: Sen. Jason E. Allen

House Committee: Employment Relations, Training, and Safety

Senate Committee: Economic Development, Small Business and Regulatory Reform

Complete to 12-5-06

A SUMMARY OF SENATE BILL 927 (S-1) AND SENATE BILL 928 (S-2) AS PASSED BY THE SENATE 4-20-06

The bills would amend Public Act 241 of 1959 which concerns the marking of containers used for liquefied petroleum to do the following:

- Require a person transferring any gas or compound out of or into a stationary liquefied petroleum gas or carbonic gas (LPG) container to comply with rules promulgated by the Department of Environmental Quality.
- Revise current prohibitions against filling or refilling an LPG container without the container owner's authorization; buying, selling, or delivering an unmarked container; or defacing, removing, or concealing a name or device on a container.
- Allow a person to bring a civil action against someone who transferred gas or a compound into or out of an LPG container without the owner's authorization.
- Require a person to prove that he or she complied with the requirement for the owner's authorization, when bringing an action to collect payment for transferring gas.

The bills currently contain an effective date of July 1, 2006, and are tie-barred to each other so that neither could go into effect both were enacted into law. A more detailed explanation of each bill follows.

Senate Bill 927 (S-1) (MCL 429.112) provides that an individual transferring liquefied petroleum or carbonic gas, or any other gas or compound, out of or into a stationary LPG container would have to comply with any rules promulgated by the Department of Environmental Quality under Section 3c(2) of the Fire Prevention Code. (That section requires the promulgation of rules for the storage, transportation, and handling of liquefied petroleum gas.)

Section 2(1) of the act prohibits a person from filling or refilling an LPG container with liquefied petroleum gas or carbonic gas, or any other gas or compound, unless he or she is the container owner or has the owner's written authorization. Under the bill, the prohibition would apply to transferring gas or a compound into or out of a container, rather than filling or refilling a container.

The act also prohibits a person from buying, selling, offering for sale, giving, taking, loaning, delivering, permitting to be delivered, or otherwise disposing of or trafficking in LPG containers unless their surface is legibly marked with the owner's name, initials, mark, or other device. The bill would delete reference to buying unmarked containers or permitting them to be delivered.

In addition, the act prohibits a person from defacing, erasing, obliterating, covering up, or otherwise removing or concealing any name, mark, initial, or device on an LPG container unless the person is the owner or has the owner's written authorization.

The bill would refer to a "stationary" liquefied petroleum or carbonic gas container in these provisions.

Senate Bill 928 (S-2) (MCL 429.113) would allow a person to bring a civil action for damages or equitable relief against a person who violated Section 2(1) of the act. In an action for damages, the person could recover actual damages or \$2,000, whichever was greater, for each violation, as well as costs and reasonable attorney fees.

Also, under the bill, a person bringing an action in court to collect payment for transferring liquefied petroleum or carbonic gas into or out of a stationary LPG container would have to allege and prove that the person complied with Section 2(1) in the transfer of the gas, in order to prevail in the action.

FISCAL IMPACT:

The bills, which are tie-barred, will slightly increase local court costs due to adding civil action remedies for persons violating Public Act 241 of 1959. Criminal penalties, which include a fine of \$500 and up to 90 days imprisonment, remain unchanged in these bills. However, local court costs, including the cost of probation and incarceration, may rise depending on the number of persons convicted. Public libraries would benefit from any additional collections of the \$500 fine.

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