

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 1096 (Delegates Rosenberg and Stein)
Environment and Transportation

**Agriculture - Weight and Measure Requirements - Exemption for Biodiesel
Purchasing Cooperative**

This bill exempts a biodiesel cooperative that has less than 200 members and buys less than 100,000 gallons of fuel per year from the requirement to use certified metering devices.

Fiscal Summary

State Effect: Since it is assumed that the bill applies in a limited number of cases, State finances are not materially affected.

Local Effect: The bill does not affect local finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: A “cooperative” is a corporation that operates for the mutual benefit of its members and conforms to the following requirements:

- a member of the cooperative is not allowed more than one vote, regardless of the amount of stock or membership capital he may own;
- the cooperative does not pay dividends on stock or membership capital in excess of 12% per annum;
- the cooperative does not deal in products of nonmembers in an amount greater in value than that in which it deals for members; and

- after payment of every necessary expense and authorized deduction, the proceeds from the business of the cooperative are distributed to the members in proportion to the volume of business transacted by them with the cooperative.

Current Law/Background: The Maryland Department of Agriculture's Weights and Measures Section inspects and regulates weighing and measuring devices to ensure honest and accurate transactions between consumers and businesses. The section's 18 field inspectors are responsible for inspecting and ensuring the accuracy of approximately 60,000 weighing and measuring devices at approximately 7,100 businesses throughout the State.

The section regulates the sale of motor fuel through meters that verify accurate measurement. Motor fuel meters must be registered with the section at a cost of \$12.50 per meter plus an addition \$50.00 per business location.

All liquid fuel must be sold only by liquid measure or weight, except as otherwise provided under State law. Upon delivery of liquid fuel not in package form and in an amount greater than ten gallons in the case of sale by liquid measure, or 100 points in the case of sale by weight, a delivery ticket or written statement must be delivered to the purchaser, either at the time of delivery or within a period mutually agreed upon in writing or otherwise between the vendor and the purchaser. The delivery ticket or written statement must include, among other things, in the case of sale by liquid measure, the liquid volume of the delivery, together with any meter reading from which the liquid volume is computed, expressed in terms of gallons and its binary or decimal subdivisions.

Additional Comments: The Maryland Department of Agriculture's Weights and Measures Section advises that only one biodiesel cooperative that has less than 200 members and buys less than 100,000 gallons of fuel per year operates within the State. The department further advises that the biodiesel cooperative operates at two business locations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Legislative Services

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mar/lgc

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