



# TOM TIFFANY

STATE SENATOR • 12TH SENATE DISTRICT

**Testimony on Assembly Bill 56**  
**Assembly Committee on State Affairs**  
**February 15, 2017**

Mr. Chairman and members of the committee, thank you for hearing testimony on Assembly Bill 56 this afternoon.

Small business owners across rural regions of the state still own and maintain older, non-digitized, gasoline pumps that do not rise above \$1.99 or \$2.99. When gasoline prices rise above these levels, pump owners would display the price per gallon of gasoline fractionally. For instance, many owners display the cost of ½ gallon and explain that the amount displayed is doubled to obtain a consumer's 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. In 2015, the Department found 41 locations engaging in fractional pricing.

The amount of gasoline that these owners sell is substantially lower compared to other industry peers, leaving them with low profit margins. These low profit margins and the high expense of installing new pumps makes the installment of new pumps or interfaces cost prohibitive.

It is important to underscore that these are small resort, corner shop, or bar owners that play a key role in local tourism industries due to snowmobiling and ATV riding. Keeping riders fueled keeps riders on the nearby trails, which provides hotels, bars, shops, and restaurants with activity.

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

Tom Tiffany  
Wisconsin State Senate  
12th Senate District



# MARY FELZKOWSKI (CZAJA)

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## **AB 56 – Advertising Motor Fuel Prices by the Half-Gallon**

**Assembly Committee on State Affairs**

**February 15, 2017**

Thank you for the opportunity to testify today on Assembly Bill 56. We are bringing this bill forward again after it successfully passed off the Assembly floor but ran out of time in the Senate. This bill changes the law from requiring motor fuel prices to be advertised by the gallon to allow for a person who sells less than 15,000 gallons of motor fuel in Wisconsin per year to 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 have the ability to display prices up to \$2.99. Therefore, many of the owners advertise the cost of fuel per ½ gallon and explain that the displayed amount needs to be doubled at the register. 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 would outweigh any benefit of selling fuel.

This bill has received support from the Wisconsin Petroleum Marketers & Convenience Store Association and the Tavern League and I ask for your support of AB 56.

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

## Testimony on Assembly Bill 56

Wisconsin State Assembly

Committee on State Affairs

Wednesday, February 15, 2017

My name is Steve Moran and I thank you for the opportunity to explain why I am supporting Assembly Bill 56. My wife and I own and operate a resort north of Tomahawk, and have for nearly 27 years. One of the services that we provide is gasoline sales for snowmobiles and now ATV's. We are located about 16 miles north of Tomahawk, 22 miles south of Minocqua, and 20 miles west of Rhinelander. You could say we are in a remote area. Our resort is on a busy snowmobile trail, so gas sales are a necessity for the riders. The fuel system was installed in 1990 with all permits acquired and inspections done. The pumps that were installed can register up to \$2.99. At the time that seemed more than adequate. However, as we all know prices have increased to beyond that point at times. I might add that we only sell non-ethanol premium gas as that is the preferred fuel for snowmobiles. That fuel is usually over \$3.00 per gallon, so therefore we set the price at 1/2 the cost needed to pay for the fuel, selling gas by the 1/2 gallon. There are signs on the pump that say the price registered is x 2, with the end cost noted on the pump. Back in the mid 70's when gasoline went over \$1.00 per gallon most of the gas stations did this until pumps were upgraded.

Annual inspections on the system never had issues with this practice until 2 years ago. At that time inspection duties were transferred to DATCP, and the inspection revealed nothing wrong with the system, except that the pump would not read an amount high enough to reflect the actual price per gallon. I was told that I had 1 year to update the pumps. I called around and found that the cost to update would be nearly \$1500. I have 2 pumps that would need this upgrade. That is when I contacted Representative Felzkowski and Senator Tiffany, as well as Representative Swearingen.

In today's world we sell around 300 gallons of fuel per year. Years ago, when sleds got 8 MPG, we sold much more. However, the newer sleds now get 18-25 MPG, so fuel consumption is down considerably. That is a good thing. **The money that we make selling fuel is not enough to fund the updates and I would never see the return of that cost.** I would just have to stop selling gasoline and the trail riders would be without a source of fuel for their machine.

News of this upcoming bill got out and our local TV station came out and did a feature on the issue. Many people have come in and said they saw the piece and say "why the big deal?" Lots of small resorts and bars that have gas do this. No big deal.

I am asking that this bill be moved forward this year so that we and others can continue to serve the trail users and continue to sell gasoline by the 1/2 gallon.

Thank you for your time on this matter.

Steve "Fuzzy" Moran  
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