

Utah Update

By John Hill

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2010 Elections Recap

Governor Gary Herbert kept the office he inherited 15 months ago when then Governor Huntsman was picked by President Obama to be U.S. ambassador to China. In his acceptance speech, Herbert stated: “We have some challenges out there, but as we work together, we will find solutions. I’m humbled by the challenge, the opportunity. I don’t shrink from it. Our best days of Utah, I believe, are ahead. I promise you I will give it my all.”

Governor Herbert believes in a free market and supports small business as the engine that drives Utah’s economy, and the Governor maintains an open-door policy and he is willing to have an on-going dialogue with UPMRA regarding petroleum distribution and retailing issues. However, if State tax revenues don’t improve over last year, he is likely to propose a 2011 budget that eliminates a **1.31% sales tax collection allowance** for retailers.

Last year, he asked Senator Kurt Bramble to run a similar bill eliminating the collection allowance, “seeing it as a better alternative for balancing Utah’s budget over raising taxes.” However, at three Senate committee meetings, a ground swell of opponents from grocery and convenience stores showed up to oppose this proposed elimination of the collection allowance, which kept Senator Bramble’s bill from ever being heard formally in committee.

Day of Capitol Hill – Wed., March 2, 2011

On Wednesday, March 2, UPMRA will hold its second **Day on Capitol Hill** for Members to come for lunch, a tour of the Capitol and to meet with State Legislators. In addition to keeping the collection allowance, UPMRA is concerned that the Attorney General and Senator Bramble will ask the legislature to allow the **Motor Fuel Marketing Act** to sunset a year early, as they downplay the strategic national importance of petroleum, and the predatory pricing that has taken place this year around Utah. We believe Utah’s MFMA is benefiting consumers by fostering competition, which in turn keeps consumer prices down.

Report Below Cost Selling!

If not this year, then next, the Motor Fuel Marketing Act (MFMA) will face another sunset review. Attorney General Mark Shurtleff has not taken any enforcement action since 2001 and even asked the legislature to sunset the Act in 2005, but failed. In a 2008 meeting with Attorney General Shurtleff, UPMRA members explained that market conditions continue to exist which favor keeping the MFMA on the books. At that time, Shurtleff stated that he would consider filing a complaint against a “Below Cost Seller” if we brought him a good case.

If you see below cost selling in your area, report it. Keep a record of the price for several days and then send the information to the UPMRA office. Take photographs of your competitor’s price signs using a camera with a time stamp function and send them to us as well. We will aggregate the information for the sake of anonymity prior to sending it to the Attorney General.

On-line Operator Training - Available January 2011

This January, UPMRA is rolling out an internet based on-line training program to comply with EPA’s Underground Storage Tank Operator Training of UST **Class A and B operators**, who are primarily responsible for monitoring tank tightness and leak detection systems. This web-based training program will allow each operator to train at his or her own pace and convenience in preparation for Registration and Certification testing that will be provided exclusively by the State DEQ, whose goal is also January 2011, to have Operator registration and testing up and running.

Additionally, Federated Insurance has developed an Underground Storage Tank (UST) Training CD-ROM to help UPMRA members comply with the new requirements for Class C operator training. **Class C operators** do not need to be registered with the state, but Class A operators must keep a record of Class C operators and make sure they understand their responsibility to monitor UST leak detection systems.

Electronic Fuel Tax Filing Update

Last month, UPMRA board members met with Barry Conover from the State Tax Commission to request a hardship exemption extension. We expressed to him our continued concern with the newly required XML file format and that it will cost Utah's fuel tax collectors/filers thousands of dollars annually to either buy new software or pay a vendor to file their fuel taxes.

The good news: Initially, all fuel tax filers who requested a hardship exemption were given only three months (until December 2010) to come into compliance and file fuel taxes using the XML file format. However, our continued pleas persuaded the Tax Commission to extend the hardship exemption for all fuel tax filers until December 2011, and Barry Conover even stated that the State may develop an XML Direct Portal on the state website!

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