S T A T E O F N E W Y O R K

4934

2009-2010 Regular Sessions

I N S E N A T E

April 27, 2009

Introduced by Sen. STACHOWSKI -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to the right of gasoline dealers to offer discounts

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Legislative findings and declarations. The legislature finds and declares that the distribution and sale of motor vehicle fuels and oils affects the general economy of the state, the public interest and the public welfare. The legislature further finds and declares that provisions in certain existing petroleum franchise agreements prohibit gasoline dealers from offering a discount to a buyer based upon the method of payment by such buyer for gasoline. The legislature further finds and declares that such provisions constitute unreasonable restraints on competitive pricing and inhibit the fair and efficient functioning of a free market economy within the petroleum industry. Therefore, it is provided that the provisions of any franchise agreement that prohibit gasoline dealers from offering a discount to a buyer based upon the method of payment by such buyer for gasoline are void and without effect as contrary to public policy.

S 2. The general business law is amended by adding a new section 199-o to read as follows:

S 199-O. DEALERS' RIGHT TO OFFER DISCOUNTS. NO EXISTING OR FUTURE FRANCHISE AGREEMENT SHALL PROHIBIT A GASOLINE DEALER FROM OFFERING A DISCOUNT TO A BUYER BASED UPON THE METHOD OF PAYMENT BY SUCH BUYER FOR SUCH GASOLINE. ANY PROVISION IN SUCH FRANCHISE AGREEMENT PROHIBITING SUCH DEALER FROM OFFERING SUCH DISCOUNT SHALL BE VOID AND UNENFORCEABLE AS CONTRARY TO PUBLIC POLICY.

S 3. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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