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2011-2012 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 5, 2011

Introduced by M. of A. PHEFFER -- read once and referred to the Committee on Economic Development, Job Creation, Commerce and Industry

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:

1 Section 1. Legislative findings and declarations. The legislature
2 finds and declares that the distribution and sale of motor vehicle fuels
3 and oils affects the general economy of the state, the public interest
4 and the public welfare. The legislature further finds and declares that
5 provisions in certain existing petroleum franchise agreements prohibit
6 gasoline dealers from offering a discount to a buyer based upon the
7 method of payment by such buyer for gasoline. The legislature further
8 finds and declares that such provisions constitute unreasonable
9 restraints on competitive pricing and inhibit the fair and efficient
10 functioning of a free market economy within the petroleum industry.
11 Therefore, it is provided that the provisions of any franchise agreement
12 that prohibit gasoline dealers from offering a discount to a buyer based
13 upon the method of payment by such buyer for gasoline are void and with-
14 out effect as contrary to public policy.

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

17 S 199-0. DEALERS' RIGHT TO OFFER DISCOUNTS. NO FUTURE FRANCHISE AGREE-
18 MENT SHALL PROHIBIT A GASOLINE DEALER FROM OFFERING A DISCOUNT TO A
19 BUYER BASED UPON THE METHOD OF PAYMENT BY SUCH BUYER FOR SUCH GASOLINE.
20 ANY PROVISION IN SUCH FRANCHISE AGREEMENT PROHIBITING SUCH DEALER FROM
21 OFFERING SUCH DISCOUNT SHALL BE VOID AND UNENFORCEABLE AS CONTRARY TO
22 PUBLIC POLICY.

23 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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