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

5183

2011-2012 Regular Sessions

I N S E N A T E

May 3, 2011

Introduced by Sen. DeFRANCISCO -- 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 authorizing gas stations to purchase motor fuel from alternative suppliers

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

Section 1. Subdivision 3 of section 199-j of the general business law, as added by chapter 578 of the laws of 2008, is amended to read as follows:

3. Franchise provisions. Any provision of a franchise with a refiner OR A SUPPLY AGREEMENT WITH A DISTRIBUTOR which prohibits a dealer, who either directly or through an affiliate owns a service station including the tanks and pumps OR WHERE A DEALER PROVIDES ENVIRONMENTAL POLLUTION INSURANCE COVERAGE FOR THE TANKS AND PUMPS OF NOT LESS THAN ONE MILLION DOLLARS IN THE AGGREGATE and who dedicates a tank for sale of unbranded motor fuel, or ANY PROVISION OF A FRANCHISE WITH A REFINER WHICH PROHIBITS a distributor from purchasing or selling unbranded motor fuel from a person or firm other than the refiner or limits the quantity of such unbranded motor fuel to be purchased from another person or firm or any provision of a franchise which directly or indirectly discourages a dealer or distributor from purchasing or selling such unbranded motor fuels from another person or firm, shall be null and void. For purposes of this subdivision and subdivisions four, five and six of this section the following terms shall have the following meanings:

(a) "refiner" means any person, firm or corporation who owns, leases, operates, controls or supervises a commercial entity producing gasoline or diesel motor fuel;

(b) "distributor" means any person other than a refiner or dealer who purchases motor fuel at a terminal facility and supplies motor fuel to service stations; and

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

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(c) "unbranded motor fuel" means motor fuel which does not use a trademark, trade name, service mark, or other identifying symbol or name owned by a refiner.

S 2. This act shall take effect on the sixtieth day after it shall have become a law and shall apply to any franchise agreements entered into on or after such date.