

855

2013-2014 Regular Sessions

I N   S E N A T E

(PREFILED)

January 9, 2013

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Introduced by Sen. PARKER -- 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 zone pricing of gasoline, and to amend chapter 579 of the laws of 2008, amending the general business law relating to zone pricing of gasoline, in relation to zone pricing for retail motor fuel based on geographic location

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

1     Section 1. Paragraph (a) of subdivision 1 of section 399-ee of the  
2     general business law is relettered paragraph (a-1) and a new paragraph  
3     (a) is added to read as follows:  
4     (A) "ADDITIONAL COSTS" MEANS ALL REPLACEMENT AND TRANSPORTATION COSTS  
5     AND TAXES INCURRED.  
6     S 2. Paragraph (g) of subdivision 1 of section 399-ee of the general  
7     business law, as added by chapter 579 of the laws of 2008, is amended to  
8     read as follows:  
9     (g) "Relevant geographic market" means the geographic area [of effective  
10    competition] WHICH IS SUPPLIED BY THE SAME TERMINAL FACILITY.  
11    S 3. Paragraph (m) of subdivision 1 of section 399-ee of the general  
12    business law, as added by chapter 579 of the laws of 2008, is amended to  
13    read as follows:  
14    (m) "Zone pricing" means the [arbitrary] ESTABLISHMENT OF price  
15    differences BASED ON THE GEOGRAPHICAL LOCATION OF THE RETAIL OUTLET  
16    within the relevant geographic market, [based on] WITHOUT REGARD TO the  
17    posted terminal price [or] AND ANY ADDITIONAL COSTS where the effect is  
18    to injure competition.  
19    S 4. Subdivision 2 of section 399-ee of the general business law, as  
20    added by chapter 579 of the laws of 2008, is amended to read as follows:

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

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1 2. No wholesaler, OR DEALER shall engage in zone pricing with respect  
2 to any motor fuel of like grade or quality, WHICH IS SUPPLIED TO DEALER  
3 OPERATED RETAIL OUTLETS.

4 S 5. Subdivision 3 of section 399-ee of the general business law, is  
5 amended by adding a new undesignated paragraph to read as follows:

6 NOTWITHSTANDING ANY RIGHT OF ACTION TO THE ATTORNEY GENERAL AS  
7 PROVIDED IN THIS SECTION, A WHOLESALER OR DEALER WHO HAS BEEN INJURED BY  
8 REASON OF A VIOLATION OF THIS SECTION MAY BRING AN ACTION IN HIS OR HER  
9 OWN NAME TO ENJOIN SUCH UNLAWFUL ACT, HOWEVER, NO DAMAGES OF ANY NATURE  
10 SHALL BE RECOVERABLE IN SUCH ACTION.

11 S 6. Section 2 of chapter 579 of the laws of 2008, amending the gener-  
12 al business law relating to zone pricing of gasoline, is amended to read  
13 as follows:

14 S 2. Legislative findings and intent. The legislature hereby finds and  
15 declares that for the past several years motor fuel prices have greatly  
16 fluctuated. In some cases, price fluctuations are caused by natural  
17 market conditions. In other cases, fluctuations result from artificial  
18 manipulation of the market. One such artificial pricing manipulation is  
19 zone pricing. Zone pricing is the setting of different wholesale prices  
20 for retail motor fuel [that operate in different geographic areas] BASED  
21 ON GEOGRAPHIC LOCATION. Zone pricing increases the price of retail motor  
22 fuel for certain consumers, leading to inequities among consumers and  
23 regions around the state. Therefore, the legislature hereby declares  
24 that while natural market occurrences may lead to price fluctuations,  
25 artificial changes in motor fuel prices unfairly harm many consumers  
26 around the state.

27 S 7. This act shall take effect immediately.