

By Messrs. Karol of Attleboro and O'Sullivan of Worcester, petition of Kevin O'Sullivan and other members of the House for legislation to regulate the sale of petroleum products for the protection of consumers of such products. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT TO PROTECT THE CONSUMER VIA FREE MARKET OF THE SALE OF PETROLEUM PRODUCTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 1 of Chapter 93E is hereby amended by
2 inserting the following definitions in alphabetical order:

3 "producer" means any person engaged directly or indirectly in
4 the extraction of or the production of crude oil or refined crude
5 oil products;

6 "refiner" means any person engaged directly or indirectly in the
7 refining of motor fuel, or any producer who contracts with
8 another to refine petroleum products for purposes of sale of motor
9 fuel by the producer.

1 SECTION 2. Chapter 93E is hereby amended by inserting after
2 section 5A the following new section 5B:

3 Section 5B. (a) It shall be unlawful for any supplier which also
4 is a refiner or producer to operate any motor fuel service station
5 in the Commonwealth of Massachusetts through an employee or
6 commissioned agent.

7 (b) It shall be unlawful for any supplier or an affiliate thereof
8 other than a supplier described in subsection (a) to operate a
9 service station in the Commonwealth of Massachusetts through
10 an employee or commissioned agent if such supplier operates or
11 supplies more than one hundred service stations.

12 (c) It shall be unlawful for a supplier which supplies motor fuel
13 to a dealer to, directly or indirectly, prohibit such dealer from
14 selling motor fuel of the same brand which was purchased from
15 sources other than such supplier, even if the supplier leases the
16 underground storage and dispensing equipment to the dealer and
17 such equipment is used for the storing and dispensing of the same
18 brand motor fuel supplied by another supplier.

19 (d) It shall be unlawful for any supplier to discriminate among
20 dealers in allotments, voluntary allowances, equipment rentals,
21 station rents and other similar matters based on supply or
22 marketing relationships.

23 (e) It shall be unlawful for any supplier to increase the rent to
24 a dealer for a motor fuel service station in any year in excess of
25 the rate of increase in the consumer price index for the closet
26 metropolitan area for which such figures are compiled by the
27 federal government for the twelve month period immediately
28 preceding the new rent period and for which figures are available,
29 provided, however, that in the event the supplier has made a
30 capital improvement in the motor fuel service station during the
31 immediately preceding twelve month period. The supplier may
32 further increase the rent to amortize the net cost of such
33 improvement to the supplier over a period of not less than eight
34 years, provided further that capital investment in excess of
35 \$100,000. shall be amortized over not less than a 20 year period.
36 It shall be unlawful for any supplier to fail to decrease a rent to
37 a dealer for a motor fuel service station in any year less than the
38 rate of decrease in the consumer price index for the closest
39 metropolitan area for which such figures are compiled by the
40 federal government for the twelve month period immediately
41 preceding the new rent period and for which figures are available,
42 provided, however, that in the event the supplier has made a
43 capital improvement in the motor fuel service station during the
44 immediately preceding twelve month period, the supplier may
45 include in the rent an increase to amortize the net cost of such
46 improvement to the supplier over a period of not less than eight
47 years provided further that capital investment in excess of
48 \$100,000. shall be amortized over not less than a 20 year period.

49 In the case of a motor fuel service station acquired by a supplier
50 from a supplier after the effective date hereof, the transferee

51 supplier shall be subject to the provisions hereof as had been the
52 transferrer of suppliers.

53 In the case of a motor fuel service station acquired by a supplier
54 from any person other than a supplier, the consideration paid by
55 such supplier shall be considered a capital investment pursuant
56 to the terms hereof.

1 SECTION 3. Chapter 93E is amended hereby by inserting after
2 Section 5B the following new section 5C:

3 Section 5C. The Attorney General is hereby authorized,
4 empowered and directed to promulgate regulations implementing
5 this chapter. Such regulations shall implement the purposes of this
6 chapter, as well as the purposes of Chapter 93 and 93A of the
7 General Laws.

