



House of Representatives

File No. 688

General Assembly

February Session, 2000

(Reprint of File No. 467)

House Bill No. 5750
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
April 29, 2000

An Act Concerning Oil Supply Shortages.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 16a-22 of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) Any person engaged in the business of selling petroleum
4 products, as defined in section 16a-22c, on a wholesale basis who has
5 sufficient [advance] knowledge of an impending shortage in the
6 availability of petroleum products, as defined in section 16a-22c, or
7 any officer or manager of a firm or corporation engaged in such
8 business who has such [advance] knowledge, shall cause to be given
9 immediate written notice [at least thirty days in advance] of any
10 possible inability as a result of such shortage to deliver petroleum
11 products, as defined in section 16a-22c, to [a] the Secretary of the Office
12 of Policy and Management and to each retail oil dealer engaged in the
13 business of supplying petroleum products, as defined in section 16a-
14 22c, for residential heating that such person, firm or corporation
15 customarily supplies with petroleum products, as defined in section

16 16a-22c, on a wholesale basis. No such person engaged in the business
17 of selling petroleum products, as defined in section 16a-22c, on a
18 wholesale basis and no such officer or manager shall discriminate, in
19 the percentage of supplies delivered, against independent retail oil
20 dealers in favor of dealers affiliated with such supplier.

21 (b) Any person engaged in the business of distributing or selling
22 petroleum products, as defined in section 16a-22c, on a wholesale basis
23 who intends to terminate the supply of petroleum products, as defined
24 in section 16a-22c, to a retail dealer shall give written notice at least
25 fourteen days in advance of such termination to the retail dealer, the
26 municipality or municipalities in which the retail dealer distributes
27 and the Secretary of the Office of Policy and Management concerning
28 such proposed termination of supply.

29 (c) Any person, firm or corporation who violates the provisions of
30 this section shall be fined [five hundred] one thousand dollars for each
31 violation.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Explanation Below

Affected Agencies: Office of Policy and Management,

Municipal Impact: None

Explanation**State Impact:**

The bill requires certain persons with knowledge of an impending oil shortage to provide immediate written notice to the Secretary of the Office of Policy and Management. It is anticipated that receiving these written notices will result in no fiscal impact to the agency. Additionally, the bill increases the fine for each violation of the notice requirements from \$500 to \$1,000. This may result in a minor revenue gain the extent of which is dependent on the number of violations that occur and the amount of penalty imposed.

House "A" eliminates provisions of the underlying bill which made violations an unfair trade practice. Eliminating this provision reduces the potential workload increase and associated expenses that may have resulted if violations occurred. Also, the amendment adds provisions which increase the penalty for violations from \$500 to \$1,000, resulting in a potential minimal revenue gain.

OLR Amended Bill Analysis

HB 5750 (as amended by House "A")*

AN ACT CONCERNING OIL SUPPLY SHORTAGES.**SUMMARY:**

By law, petroleum wholesalers must notify the retail dealers they normally supply when the wholesaler knows of an impending shortage. This bill requires the wholesalers to provide notice immediately, rather than at least 30 days in advance of the shortage. It also requires wholesalers to notify the secretary of the Office of Policy and Management (OPM).

By law, a wholesaler that intends to stop supplying a dealer must provide at least 14 days advance notice to the dealer, the municipalities in the dealer's service area, and OPM. The bill specifies that the last notice goes to the OPM secretary.

The bill increases the fine for each violation of the notice requirements from \$500 to \$1,000. It also makes minor changes.

*House Amendment "A" increases the fine from \$500 to \$1,000 rather than making violations an unfair or deceptive trade practice.

EFFECTIVE DATE: October 1, 2000

BACKGROUND***Legislative History***

On April 10 the House referred the bill to the General Law Committee, which reported it favorably unchanged on April 12.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Change of Reference
Yea 16 Nay 0

Judiciary Committee

Joint Favorable Report
Yea 40 Nay 0

General Law Committee

Joint Favorable Report
Yea 13 Nay 0