



General Assembly

**Substitute Bill No. 5450**

February Session, 2004

\*        HB05450GL        030904        \*

**AN ACT CONCERNING GASOLINE FRANCHISES.**

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

1       Section 1. Subsection (f) of section 42-133l of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2004*):

4       (f) No franchisor, directly or indirectly, through any officer, agent or  
5 employee, shall do any of the following: (1) Require a franchisee at the  
6 time of entering into an agreement to assent to a release, assignment,  
7 novation, waiver, or estoppel which would relieve any person from  
8 liability imposed by sections 42-133j to 42-133n, inclusive; (2) prohibit,  
9 directly or indirectly, the right of free association among franchisees  
10 for any lawful purpose; (3) prohibit the transfer by will of any  
11 franchise and the rights of any franchisee under any franchise  
12 agreement to a spouse or child of such franchisee; (4) require or  
13 prohibit any change in management of any franchise unless such  
14 requirement or prohibition of such change shall be for good cause,  
15 which cause shall be stated in writing by the franchisor; (5) impose  
16 unreasonable standards of performance upon a franchisee; (6) fail to  
17 deal in good faith with a franchisee; (7) sell, rent or offer to sell to a  
18 franchisee any product or service for more than a fair and reasonable  
19 price; (8) impose on a franchisee by contract, rule or regulation,  
20 whether written or oral, any standard of conduct unless the franchisor,

21 his agents or representatives sustain the burden of proving such to be  
22 reasonable and necessary; (9) discriminate between franchisees in the  
23 charges offered or made for royalties, goods, services, equipment,  
24 rentals, advertising services, or in any other business dealing, unless  
25 (A) any such type of discrimination between franchisees would be  
26 necessary to allow a particular franchisee to fairly meet competition in  
27 the open market, or (B) to the extent that the franchisor satisfies the  
28 burden of proving that any classification of or discrimination between  
29 franchisees is reasonable, is based on franchises granted at materially  
30 different times and such discrimination is reasonably related to such  
31 difference in time or on other proper and justifiable distinctions  
32 considering the purposes of sections 42-133j to 42-133n, inclusive, and  
33 is not arbitrary; [. Nothing shall be construed under this subsection,  
34 however, as granting to any franchisor any right which may be limited  
35 by any other state or federal statutes;] (10) notify the franchisee of a  
36 claimed breach of franchise agreement for good cause later than one  
37 hundred eighty days from the date said good cause arises or one  
38 hundred eighty days after the franchisor knew or in the exercise of  
39 reasonable care should have known of said claimed good cause; or (11)  
40 require or coerce a gasoline franchisee to sell gasoline at a specific price  
41 or in a specific price range.

This act shall take effect as follows:	
Section 1	October 1, 2004

**GL**            *Joint Favorable Subst.*