



General Assembly

Substitute Bill No. 6517

January Session, 2005

* _____ HB06517GL _____ 032205 _____ *

AN ACT CONCERNING GASOLINE FRANCHISES.

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

1 Section 1. Section 42-133mm of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) When a franchisor intends to sell, transfer or assign to another
4 person the franchisor's interest in a single marketing premises that is
5 not part of two or more marketing premises marketed as a package to
6 sell, transfer or assign more than a single marketing premises, that the
7 franchisee has occupied under a lease, sublease or other grant of
8 authority to occupy such premises, such franchisor shall first: (1) Make
9 a bona fide offer to sell, transfer or assign to the franchisee such
10 franchisor's interests in such single marketing premises; or (2) if
11 applicable, offer the franchisee a right of first refusal of a bona fide
12 offer made by another acceptable to the franchisor, to purchase such
13 franchisor's interest in such single marketing premises. The franchisee
14 shall have forty-five days in which to accept or reject such offer made
15 under subdivision (1) or (2) of this subsection.

16 (b) When a franchisor sells, transfers or assigns the franchisor's
17 interest in two or more marketing premises marketed as a package to a
18 successor owner, any change in the terms and conditions of the
19 franchise agreement in effect at the time of the sale, transfer or
20 assignment shall be by mutual agreement of the franchisee and the

21 successor owner. Such successor owner shall, at the expiration of the
22 franchise agreement in effect at the time of the sale, transfer or
23 assignment renew the franchise agreement of each franchisee for the
24 same number of years as the agreement in effect at the time of the sale,
25 transfer or assignment, provided such renewal shall not [exceed five
26 years] be less than five years and in the event such franchise
27 agreement, or any renewal thereof, requires capital expenditures of
28 two hundred thousand dollars or more by such franchisee, not less
29 than seven years. Any changes to the franchise agreement shall be
30 submitted in good faith by the successor owner and negotiated in good
31 faith by the successor owner and franchisee. The successor owner shall
32 not require the franchisee to do the following: (1) Take part in
33 promotional campaigns of the successor owner's products; (2) meet
34 sales quotas; (3) sell any product at a price suggested by the successor
35 owner or supplier; (4) keep the premises open and operating during
36 hours which are documented by the franchisee to be unprofitable to
37 the franchisee or during the hours after 10 p.m. and prior to 6 a.m.; or
38 (5) disclose to the successor owner or supplier financial records of the
39 operation of the franchise which are not related or necessary to the
40 franchisee's obligations under the franchise agreement. Nothing in this
41 subsection shall affect the successor owner's ability to terminate, cancel
42 or fail to renew a franchise agreement for good cause shown.

43 (c) If such successor owner intends to sell, transfer or assign to
44 another person such successor owner's interest in the marketing
45 premises that the franchisee has occupied under a lease, sublease or
46 other grant of authority to occupy such premises, the new owner shall
47 first (1) make a bona fide offer to sell, transfer or assign to the
48 franchisee such successor owner's interest in the marketing premises;
49 or (2) if applicable, offer the franchisee a right of first refusal of a bona
50 fide offer made by another acceptable to the successor, to purchase
51 such successor owner's interest in such marketing premises. The
52 franchisee shall have forty-five days in which to accept or reject such
53 offer made under subdivision (1) or (2) of this subsection.

54 (d) For the purposes of this section, "marketing premises" means

55 premises which, under a franchise agreement, are to be employed by a
56 franchisee in connection with the sale, consignment or distribution of
57 motor fuel.

58 (e) The provisions of this section shall apply to any franchise
59 agreement in effect on or after July 1, 2000.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2005</i>	42-133mm
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GL *Joint Favorable Subst.*