



General Assembly

January Session, 2005

Raised Bill No. 6521

LCO No. 2964

02964_____GL_

Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING PREPAID HOME HEATING OIL CONTRACTS.

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

1 Section 1. Section 16a-23n of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) A contract for the retail sale of home heating oil that offers a
4 guaranteed price plan, including fixed price contracts and any other
5 similar terms, shall be in writing and the terms and conditions of such
6 price plans shall be disclosed. Such disclosure shall be in plain
7 language and shall immediately follow the language concerning the
8 price or service that could be affected and shall be printed in no less
9 than twelve-point boldface type of uniform font.

10 (b) A home heating oil dealer that advertises a price shall offer said
11 price for a period of no less than twenty-four hours or until the next
12 advertised price is publicized, whichever occurs first.

13 (c) No home heating oil dealer shall enter into a prepaid home
14 heating oil contract unless such dealer has either: (1) Obtained and
15 maintained heating oil futures contracts or other similar commitments

16 that allow such dealer to purchase heating oil at a fixed price in an
17 amount equal to not less than seventy-five per cent of the maximum
18 number of gallons that such dealer is committed to deliver pursuant to
19 all prepaid home heating oil contracts entered into by such dealer, or
20 (2) obtained and maintained a security bond in an amount equal to not
21 less than fifty per cent of the total amount of funds paid to the dealer
22 by consumers pursuant to prepaid home heating oil contracts. Such
23 dealer shall maintain the amount of futures contracts or the security
24 bond amount required by this subsection for the period of time for
25 which such prepaid home heating contracts are effective, except that
26 such futures contracts or bond amount may be reduced during such
27 period of time to reflect any amount of heating oil already delivered to
28 and paid for by the consumer.

29 (d) No prepaid home heating oil contract shall require any
30 consumer commitment to purchase oil pursuant to the terms of such
31 contract for a period of more than twelve months.

32 (e) Any prepaid home heating oil contract shall indicate: (1) The
33 amount of funds paid by the consumer to the dealer under such
34 contract, (2) the maximum number of gallons of heating oil committed
35 by the dealer for delivery to the consumer pursuant to such contract,
36 and (3) that performance of such prepaid home heating oil contract is
37 secured by one of the two options described in subsection (c) of this
38 section. Any such contract shall provide that any undelivered heating
39 oil owed to the consumer on the end date of such contract shall be
40 delivered to the consumer at the direction of such consumer.

41 Sec. 2. Section 16a-23p of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective from passage*):

43 The Department of Consumer Protection may suspend or revoke
44 any registration issued under section 16a-23m if the holder of such
45 registration is grossly incompetent, engages in malpractice or unethical
46 conduct or knowingly makes false, misleading or deceptive
47 representations regarding such holder's work, [or] violates any

48 provision of section 16a-23n, as amended by this act, or violates any
49 regulations adopted under section 16a-23q. Before any such
50 registration is suspended or revoked, such holder shall be given notice
51 and opportunity for hearing as provided in regulations adopted by the
52 Commissioner of Consumer Protection in accordance with the
53 provisions of chapter 54.

54 Sec. 3. Section 16a-23r of the general statutes is repealed and the
55 following is substituted in lieu thereof (*Effective from passage*):

56 (a) A violation of the provisions of section 16a-23m, 16a-23n or 16a-
57 23o constitutes an unfair trade practice under subsection (a) of section
58 42-110b.

59 (b) Any home oil dealer who knowingly violates the provisions of
60 subsection (c) of section 16a-23n, as amended by this act, shall have
61 committed a class A misdemeanor.

| | | |
|---|---------------------|---------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 16a-23n |
| Sec. 2 | <i>from passage</i> | 16a-23p |
| Sec. 3 | <i>from passage</i> | 16a-23r |

Statement of Purpose:

To protect consumers who enter into prepaid home heating oil contracts when the dealer fails to honor such contract.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]