



# Senate

General Assembly

**File No. 106**

February Session, 2006

Substitute Senate Bill No. 504

*Senate, March 23, 2006*

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT REQUIRING RESIDENTIAL HEATING OIL SELLERS TO MAINTAIN INSURANCE COVERAGE.***

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

1 Section 1. (NEW) (*Effective from passage*) All sellers of home heating  
2 oil, including, but not limited to, cooperative sellers of such oil, shall  
3 register with the Commissioner of Consumer Protection as a heating  
4 oil dealer pursuant to section 16a-23m of the general statutes and  
5 provide the commissioner with evidence of general liability insurance  
6 coverage and environmental fuel oil spill coverage in the amount of  
7 not less than one million dollars.

8 Sec. 2. (NEW) (*Effective from passage*) Any person who removes a  
9 heating oil tank from residential or commercial premises shall also  
10 remove or permanently cap the fill pipe for such tank.

This act shall take effect as follows and shall amend the following sections:

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Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

**GL**      *Joint Favorable Subst.*

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:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Consumer Protection, Dept.; Attorney General	Various - Revenue Gain	Potential Minimal	Potential Minimal

**Municipal Impact:** None

**Explanation**

The bill subjects all sellers of home heating oil, including cooperatives, to the registration requirements for home heating oil dealers. Under current law, each applicant for a home heating oil dealer registration must pay \$100. To the extent that the bill increases the potential number of registrants, this could result in a minimal revenue gain to the state.

According to current law, a violation of certain home heating oil dealer laws is an unfair trade practice. Under the Connecticut Unfair Trade Practices Act (CUTPA), the Department of Consumer Protection (DCP) and the Attorney General can impose CUTPA fines.

In the case of settlements, depending on the negotiation terms, funds are either deposited into the DCP’s Consumer Protection Settlement Account or the unrestricted resources of the General Fund. Funds deposited into the Consumer Protection Settlement Account are used only to enhance activities that further consumer protection. In FY 05, \$92,298 in CUTPA fines were deposited into the DCP Consumer Protection Settlement Account. Additionally, in FY 05, \$356,751 in CUTPA fines were deposited into the General Fund as a result of settlements negotiated by the Office of the Attorney General (OAG). The state agencies could accommodate the workload associated with

enforcement of the bill without requiring additional resources. To the extent that the bill increases the potential for future violations, the bill could result in a minimal revenue gain to the state.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis**  
**sSB 504**

***AN ACT REQUIRING RESIDENTIAL HEATING OIL SELLERS TO MAINTAIN INSURANCE COVERAGE.***

**SUMMARY:**

This bill subjects all sellers of home heating oil, including cooperatives, to the registration requirements for home heating oil dealers. Home heating oil dealers must register with the Department of Consumer Protection (DCP). The bill requires home heating oil sellers to provide the commissioner with evidence of general liability insurance coverage and environmental fuel oil spill coverage of at least \$1,000,000.

It also requires anyone who removes a residential or commercial heating oil tank to remove or permanently cap the tank's fill pipe.

EFFECTIVE DATE: Upon passage

**BACKGROUND**

***Home Heating Oil Dealer Registration***

The law requires any person, firm, or corporation engaged in retail home heating oil sales to register with the Department of Consumer Protection (DCP). Applicants must apply annually, pay a \$100 registration fee, and provide the DCP commissioner with evidence of general liability coverage and insurance to cover environmental damage due to fuel oil spills of at least \$1,000,000. They must state their registration number in their advertising. They must notify DCP if their insurance is cancelled (CGS §16a-23m).

Registered dealers that offer plumbing or heating work service must show that they subcontract with or employ properly licensed individuals and attest that all such work will be performed by such

individuals (CGS § 16a-23o).

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 15    Nay 0    (03/09/2006)