



Senate

General Assembly

File No. 726

February Session, 2008

Substitute Senate Bill No. 530

Senate, April 24, 2008

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING TRANSPARENCY AND OVERSIGHT OF FUEL MARKETS.

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

1 Section 1. (NEW) (*Effective from passage*) Sections 1 to 7, inclusive, of
2 this act shall be known as and may be cited as the "Fuel Market
3 Transparency and Oversight Act".

4 Sec. 2. (NEW) (*Effective from passage*) As used in sections 1 to 7,
5 inclusive, of this act:

6 (1) "Fuel" means "fuels", as defined in section 14-1 of the general
7 statutes, diesel fuel and number two heating oil, but does not include
8 aviation fuel;

9 (2) "Major fuel storer" means any person who annually stores more
10 than one million gallons of fuel in this state;

11 (3) "Major fuel transporter" means any person who annually
12 transports more than one million gallons of fuel in this state;

13 (4) "Person" has the same meaning as provided in section 14-1 of the
14 general statutes; and

15 (5) "Relevant time period" means February 1, 2007, to February 28,
16 2007, inclusive, June 1, 2007, to June 30, 2007, inclusive, February 1,
17 2008, to February 29, 2008, inclusive, and June 1, 2008, to June 30, 2008,
18 inclusive.

19 Sec. 3. (NEW) (*Effective from passage*) On or before August 1, 2008:

20 (1) Major fuel transporters shall report to the Attorney General the
21 capacities of each major fuel transportation system used to transport
22 fuel to the state of Connecticut, the amount of fuel transported by each
23 system to the state of Connecticut and the inventories thereof for the
24 relevant time period; and

25 (2) Major fuel storers shall report to the Attorney General on the fuel
26 storage capacity for each fuel storage facility within the state of
27 Connecticut, the amount of fuel received and distributed from such
28 fuel storage facility, and methods of transportation of such fuel
29 distributed from such facility for the relevant time period.

30 Sec. 4. (NEW) (*Effective from passage*) The Attorney General may
31 purchase price data from data service companies that the Attorney
32 General may use to assist in analyzing fuel price and supply data. The
33 Attorney General shall prescribe applicable standards and practices for
34 reporting to facilitate uniformity, consistency and comparability of the
35 data to be submitted pursuant to this section.

36 Sec. 5. (NEW) (*Effective from passage*) (a) There is established a Fuel
37 Market Transparency and Oversight Task Force, within the
38 Department of Consumer Protection, for administrative purposes only,
39 consisting of the Commissioner of Consumer Protection and not more
40 than five of the commissioner's designees.

41 (b) The task force established in subsection (a) of this section shall
42 analyze fuel price and supply data provided to the Attorney General
43 pursuant to sections 3 and 4 of this act and shall, not later than

44 December 31, 2008, report its findings, in accordance with the
45 provisions of section 11-4a of the general statutes, to the joint standing
46 committee of the General Assembly having cognizance of matters
47 relating to consumer protection.

48 Sec. 6. (NEW) (*Effective from passage*) Information provided to the
49 Attorney General pursuant to sections 3 and 4 of this act shall be
50 maintained for the purpose of facilitating the purposes of section 5 of
51 this act, provided the Attorney General may make available to the
52 public such information. Trade secret information provided to the
53 Attorney General pursuant to sections 3 and 4 of this act shall be held
54 in confidence by said office provided it may be made available to the
55 public in aggregated form to the extent necessary to ensure the
56 confidentiality of the company to whom such information applies.

57 Sec. 7. (NEW) (*Effective from passage*) (a) The Attorney General shall
58 notify those persons who have failed to timely provide the information
59 required by section 3 of this act. The Attorney General may issue a civil
60 investigatory demand for additional information, including
61 information required pursuant to section 3 of this act, for additional
62 months outside the relevant time period, as and when the Attorney
63 General deems necessary to perform the Attorney General's
64 responsibilities under sections 3 to 7, inclusive, of this act.

65 (b) If a person fails to supply information within five business days
66 after being notified of the failure to provide the required information
67 pursuant to subsection (a) of this section or if such person fails to
68 comply with a civil investigatory demand issued pursuant to
69 subsection (a) of this section, such person shall forfeit and pay to the
70 state a civil penalty of not less than fifty thousand dollars per day or
71 more than one hundred thousand dollars per day for each day the
72 submission of information is refused or delayed. The Attorney
73 General, acting in the name of the state, may petition for recovery of
74 such penalties.

75 (c) If any person or any employee of any person wilfully makes any
76 false statement, representation or certification in any record, report,

77 plan or other document filed with the Attorney General pursuant to
 78 sections 3 to 7, inclusive, of this act, the Attorney General, upon
 79 petition to the court, may recover, on behalf of the state, a civil penalty
 80 not to exceed five hundred thousand dollars. For purposes of this
 81 subsection, a wilful violation occurs when the party committed the
 82 violation knew or should have known that such conduct was a
 83 violation of sections 1 to 7, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section

APP *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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Attorney General	GF - Cost	150,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a state cost of \$150,000 for the compilation of data concerning the capacity of major oil storage facilities and transporters during four reporting periods noted in the bill. sHB 5021, AAC The State Budget For The Biennium Ending June 30, 2009, and Making Appropriations Thereof, contains \$150,000 for the purposes of the bill.

OLR Bill Analysis**sSB 530*****AN ACT CONCERNING TRANSPARENCY AND OVERSIGHT OF FUEL MARKETS.*****SUMMARY:**

This bill requires major oil storers and transporters to report on the capacities of their systems and the amount of fuel each handled during four reporting periods: February 1-28, 2007; June 1-30, 2007; February 1-28, 2008; and June 1-30, 2008.

The bill requires the reports to be made to the attorney general and gives him enforcement powers to compel reporting. He must keep the data to facilitate the work of the Market Transparency and Oversight Task Force, which the bill establishes in the Department of Consumer Protection (DCP). It is comprised of the DCP commissioner and up to five members he appoints. The task force must analyze the fuel price and supply data the attorney general collects and report to the General Law Committee by December 31, 2008.

The bill provides that it may be cited as the "Fuel Market Transparency and Oversight Act."

EFFECTIVE DATE: Upon passage

MAJOR OIL TRANSPORTERS' REPORT

The bill requires each major oil transporter (a person who annually transports more than 1 million gallons of fuel in the state) to report to the attorney general the capacities of each major fuel transportation system used to transport fuel to the state, the amount of fuel transported by each system to the state, and the inventories of each for the four reporting periods by August 1, 2008.

MAJOR OIL STORERS' REPORT

The bill requires each major oil storer (a person who annually stores more than 1 million gallons of fuel in the state) to report to the attorney general the fuel storage capacity for each fuel storage facility in the state, the amount of fuel received and distributed from each, and the methods of transporting the fuel distributed from the facility for the four reporting periods by August 1, 2008.

FUEL

The bill's reporting requirements apply to "fuel," defined as gasoline, fuel for internal combustion engines, gasohol, diesel fuel, and number 2 home heating oil, but not aviation fuel.

ATTORNEY GENERAL

The bill requires the attorney general to prescribe reporting standards and practices to facilitate uniformity, consistency, and comparability. It authorizes him to purchase price data from data service companies that he may use to help analyze fuel price and supply data.

The bill requires the attorney general to maintain the information required by the bill to enable him to facilitate the work of the task force. It allows him to make the submitted information public, but it requires him to keep trade secret information confidential. But the bill allows him to make trade secret information public if he aggregates it to the extent necessary to ensure the confidentiality of the company to which the information applies.

FAILURE TO REPORT ON TIME AND CIVIL INVESTIGATORY DEMANDS

The bill requires the attorney general to notify those who failed to report on time.

It authorizes him to issue a civil investigatory demand for additional information, including the information the bill requires major transporters and major oil storers to report, data for additional months outside the four reporting periods, as and when he deems

necessary to perform his responsibilities under the bill.

PENALTY FOR FAILURE TO REPORT

Failure to (1) report within five business days after receiving the attorney general's notice or (2) comply with a civil investigatory demand subjects a violator to a civil penalty of at least \$50,000 per day and not more than \$100,000 per day for each day the submission of information is refused or delayed. The bill authorizes the attorney general, acting in the name of the state, to petition for recovery of the penalties.

FALSE STATEMENTS

The bill authorizes the attorney general to ask the court to impose a civil penalty of up to \$500,000 on a person who willfully makes a false statement, representation, or certification in any record, report, plan, or other document filed with the attorney general under the bill. For this purpose, a "willful violation" occurs when the party committing the violation knew or should have known that the conduct violates the bill.

BACKGROUND

Legislative History

The Senate referred the bill (File 376) to the Appropriations Committee, which reported a substitute bill that eliminates a \$300,000 appropriation to the attorney general to implement its provisions.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 4 (03/11/2008)

Appropriations Committee

Joint Favorable Substitute

Yea 47 Nay 1 (04/15/2008)