



General Assembly

January Session, 2009

Raised Bill No. 6470

LCO No. 3471

03471_____GL_

Referred to Committee on General Law

Introduced by:
(GL)

**AN ACT CONCERNING RESIDENTIAL RETAIL HEATING OIL AND
PROPANE CONTRACTS.**

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

1 Section 1. Section 16a-21 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) [No person, firm or corporation shall sell at retail fuel oil or
4 propane gas to be used for residential heating without placing the unit
5 price, clearly indicated as such, the total number of units sold and the
6 amount of any delivery surcharge in a conspicuous place on the
7 delivery ticket given to the purchaser or an agent of the purchaser at
8 the time of delivery. No person, firm or corporation may bill or
9 otherwise attempt to collect from any purchaser of fuel oil or propane
10 gas an amount which exceeds the unit price multiplied by the total
11 number of units stated on the delivery ticket, plus the amount of any
12 delivery surcharge stated on the ticket.] For the purpose of this section,
13 unit price means the price per gallon computed to the nearest tenth of
14 a whole cent.

15 (b) (1) No person, firm or corporation shall sell at retail fuel oil or

16 propane gas to be used for residential heating without a written
17 contract that contains all the terms and conditions for delivery of such
18 fuel oil or propane gas and the amount of fees, charges or penalties
19 allowed under this subsection assessed to the consumer under such
20 contract. No written contract shall contain any fees, charges or
21 penalties except for propane tank rental fees, propane tank removal
22 fees, liquidated damages and such other penalties for violation of the
23 contract terms. Such fees may increase during the contract term
24 provided the amount of such fees are clearly and conspicuously
25 disclosed. No contract for the delivery of fuel oil or propane gas under
26 this section shall include a provision for liquidated damages for a
27 consumer breach of such contract where the liquidated damages
28 exceeds the actual damages to the fuel oil or propane gas retailer
29 caused by such breach. Any fuel oil or propane gas retailer may enter
30 into a separate contract with the purchaser for additional services such
31 as maintenance, repair and warranty of equipment, provided such
32 contract complies with the provisions of this section. No written
33 contract period shall be for a period greater than thirty-six months.

34 (2) Any written contract required by this section shall be in plain
35 language pursuant to section 42-152, provided any fee, charge or
36 penalty disclosed in such contract shall be in twelve-point, boldface
37 type of uniform font.

38 (c) The requirement that contracts be in writing as set forth in this
39 section may be satisfied pursuant to the provisions of: (1) The
40 Connecticut Uniform Electronic Transactions Act, sections 1-266 to 1-
41 286, inclusive, (2) sections 42a-7-101 to 42a-7-106, inclusive, and (3) the
42 Electronic Signatures in Global and National Commerce Act, 15 USC
43 7001 et seq. Except as provided in subsection (d) of this section, verbal
44 telephonic communications shall not satisfy the writing requirement of
45 this section.

46 (d) The requirement that contracts be in writing pursuant to this
47 section and section 16a-23n may be satisfied telephonically by a

48 person, firm or corporation selling at retail fuel oil or propane gas, only
49 if such person, firm or corporation: (1) Has provided to the consumer
50 prior to any telephonic communication all terms and conditions of the
51 contract, in writing, except for the contract duration, the unit price and
52 the maximum number of units covered by the contract, (2) employs an
53 interactive voice response system or similar technology which
54 provides the consumer with the contract duration, the unit price and
55 the maximum number of units covered by the contract, to complete the
56 contract, (3) retains, in a readily retrievable format, a recording of the
57 consumer agreeing to each such term and condition for the period of
58 the contract plus one year, (4) sends the consumer a letter confirming
59 the consumer's agreement to such terms and conditions, with the
60 written stipulation that the consumer is bound by such terms and
61 conditions unless the agreement is rescinded by the consumer, in
62 writing, not later than three business days after receipt of such letter by
63 said consumer, and (5) retains a copy of each such letter.

64 (e) (1) No person, firm or corporation shall deliver fuel oil or
65 propane gas to be used for residential heating, without placing the unit
66 price, clearly indicated as such, the total number of units sold and the
67 amount of any delivery surcharge in a conspicuous place on the
68 delivery ticket given to the purchaser or an agent of the purchaser at
69 the time of delivery. No person, firm or corporation may bill or
70 otherwise attempt to collect from any purchaser of fuel oil or propane
71 gas an amount which exceeds the unit price multiplied by the total
72 number of units stated on the delivery ticket, plus the amount of any
73 delivery surcharge stated on the ticket.

74 (2) The requirement that contracts be in writing as set forth in this
75 subsection shall not apply to any retail fuel oil or propane gas contract
76 where no fee, charge or penalty is assessed, except for stating the unit
77 price of the retail fuel oil or propane gas delivered to a consumer and
78 any surcharge authorized under section 16a-22b, as amended by this
79 act.

80 (f) The provisions of this section shall not apply to existing
81 customers of a person, firm or corporation selling at retail fuel oil or
82 propane gas on October 1, 2009, who have valid written contracts on
83 said date.

84 (g) The provisions of this section shall not apply to an existing
85 customer of a person, firm or corporation selling at retail fuel oil or
86 propane gas on October 1, 2009, who does not have a valid written
87 contract in effect on said date, if such existing customer receives a
88 written contract prior to October 1, 2009, containing all the terms and
89 conditions for delivery of such fuel oil or propane gas and the amount
90 of any fee, charge or penalty allowed under this section that such
91 person, firm or corporation shall assess to the customer under such
92 contract, provided: (1) Fees in such contract shall not be greater than
93 the fees charged to such existing customer on October 1, 2009, and may
94 not increase during the contract term; (2) the existing customer may
95 reject such contract by notifying the person, firm or corporation selling
96 at retail such fuel oil or propane gas not later than sixty days after the
97 receipt of such written contract without any penalty, including, but not
98 limited to, a tank removal fee; and (3) such written contract shall be
99 effective if the existing customer does not reject such contract not later
100 than sixty days after receipt of such contract.

101 (h) A violation of the provisions of this section constitutes an unfair
102 trade practice under subsection (a) of section 42-110b.

103 [(b)] (i) Any person, firm or corporation who violates subsection
104 [(a)] (e) of this section shall be fined not more than one hundred
105 dollars for the first offense [nor] or more than five hundred dollars for
106 each subsequent offense.

107 Sec. 2. Section 16a-22b of the general statutes is repealed and the
108 following is substituted in lieu thereof (*Effective July 1, 2009*):

109 (a) No retail dealer of fuel oil or propane shall assess a surcharge on
110 the price of fuel oil or propane delivered to a customer if the delivery

111 of the fuel oil or propane is in an amount in excess of one hundred
112 gallons, except that a surcharge may be assessed if a delivery is made
113 outside the normal service area or the normal business hours of the
114 dealer or extraordinary labor costs are involved in making a delivery.
115 No other fee, charge or penalty may be assessed, except as provided in
116 section 16a-21, as amended by this act.

117 (b) No retail dealer of fuel oil or propane shall assess a residential
118 customer a minimum delivery surcharge on any delivery initiated by
119 the seller, including any delivery under an automatic delivery
120 agreement.

121 (c) A violation of the provisions of this section constitutes an unfair
122 trade practice under subsection (a) of section 42-110b.

123 Sec. 3. Subsection (d) of section 20-327b of the general statutes is
124 repealed and the following is substituted in lieu thereof (*Effective July*
125 *1, 2009*):

126 (d) (1) The Commissioner of Consumer Protection, shall, by
127 regulations adopted in accordance with the provisions of chapter 54,
128 prescribe the form of the written residential disclosure report required
129 by this section and sections 20-327c to 20-327e, inclusive. The
130 regulations shall provide that the form include information concerning
131 municipal assessments, including, but not limited to, sewer or water
132 charges applicable to the property. Such information shall include: (A)
133 Whether such assessment is in effect and the amount of the
134 assessment; (B) whether there is an assessment on the property that
135 has not been paid, and if so, the amount of the unpaid assessment; and
136 (C) to the extent of the seller's knowledge, whether there is reason to
137 believe that the municipality may impose an assessment in the future.

138 (2) Such form of the written residential disclosure report shall
139 contain the following:

140 (A) A certification by the seller in the following form:

141 "To the extent of the seller's knowledge as a property owner, the
142 seller acknowledges that the information contained above is true and
143 accurate for those areas of the property listed. In the event a real estate
144 broker or salesperson is utilized, the seller authorizes the brokers or
145 salespersons to provide the above information to prospective buyers,
146 selling agents or buyers' agents.

.... (Date) (Seller)
.... (Date) (Seller)"

147 (B) A certification by the buyer in the following form:

148 "The buyer is urged to carefully inspect the property and, if desired,
149 to have the property inspected by an expert. The buyer understands
150 that there are areas of the property for which the seller has no
151 knowledge and that this disclosure statement does not encompass
152 those areas. The buyer also acknowledges that the buyer has read and
153 received a signed copy of this statement from the seller or seller's
154 agent.

.... (Date) (Seller)
.... (Date) (Seller)"

155 (C) A statement concerning the responsibility of real estate brokers
156 in the following form:

157 "This report in no way relieves a real estate broker of the broker's
158 obligation under the provisions of section 20-328-5a of the Regulations
159 of Connecticut State Agencies to disclose any material facts. Failure to
160 do so could result in punitive action taken against the broker, such as
161 fines, suspension or revocation of license."

162 (D) A statement that any representations made by the seller on the
163 written residential disclosure report shall not constitute a warranty to
164 the buyer.

165 (E) A statement that the written residential disclosure report is not a

166 substitute for inspections, tests and other methods of determining the
167 physical condition of property.

168 (F) Information concerning environmental matters such as lead,
169 radon, subsurface sewage disposal, flood hazards and, if the residence
170 is or will be served by well water, as defined in section 21a-150, the
171 results of any water test performed for volatile organic compounds
172 and such other topics as the Commissioner of Consumer Protection
173 may determine would be of interest to a buyer.

174 (G) A statement that information concerning the residence address
175 of a person convicted of a crime may be available from law
176 enforcement agencies or the Department of Public Safety and that the
177 Department of Public Safety maintains a site on the Internet listing
178 information about the residence address of persons required to register
179 under section 54-251, 54-252, 54-253 or 54-254, who have so registered.

180 (H) If applicable, a statement disclosing that there is a propane gas
181 tank of a capacity in excess of twenty gallons located on such property,
182 the name of the owner of such tank and any contract related to such
183 tank.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	16a-21
Sec. 2	<i>July 1, 2009</i>	16a-22b
Sec. 3	<i>July 1, 2009</i>	20-327b(d)

Statement of Purpose:

To protect residential heating oil and propane consumers.

[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.]