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I N S E N A T E

April 8, 2010

Introduced by Sens. ESPADA, PERALTA, STACHOWSKI -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged and said bill committed to the Committee on Commerce, Economic Development and Small Business -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to prohibiting a producer or refiner from selling, transferring, or assigning interest in a retail outlet leased to a dealer unless the producer or refiner makes certain offers of the producer's or refiner's interest to such dealer

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The general business law is amended by adding a new article
2 24-D to read as follows:

ARTICLE 24-D

SALE OR TRANSFER OF GASOLINE RETAIL OUTLETS

SECTION 375. SALE OR TRANSFER OF GASOLINE RETAIL OUTLETS.

S 375. SALE OR TRANSFER OF GASOLINE RETAIL OUTLETS. (A) FOR THE PURPOSES OF THIS SECTION:

(1) "PRODUCER" MEANS A PERSON WHO PURCHASES COMPONENT ELEMENTS AND COMBINES THEM TO PRODUCE GASOLINE PRODUCTS.

10 (2) "BOOK VALUE" MEANS ACTUAL COST LESS ACTUAL DEPRECIATION TAKEN.

11 (3) "DEALER" MEANS ANY PERSON, OTHER THAN A REFINER OR WHOLESALER, WHO
12 IS ENGAGED IN THE BUSINESS OF SELLING MOTOR FUEL AT A RETAIL OUTLET.

13 (4) "REFINER" MEANS ANY PERSON WHO PRODUCES AND STORES OR EXCHANGES
14 MOTOR FUEL AT A TERMINAL FACILITY AND WHO SELLS OR TRANSFERS MOTOR FUEL
15 THROUGH THE LOADING RACK AT SUCH TERMINAL FACILITY, AND INCLUDES AN
16 AFFILIATE OF SUCH REFINER WITH RESPECT TO SUCH AFFILIATE'S SALE OF MOTOR
17 FUEL.

18 (5) "RETAIL OUTLET" MEANS A FACILITY, INCLUDING LAND AND IMPROVEMENTS,
19 WHERE MOTOR FUEL IS OFFERED FOR SALE AT RETAIL TO THE PUBLIC.

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 (B)(1) EVERY MARKETING AGREEMENT BETWEEN A REFINER OR PRODUCER AND A
2 DEALER IS SUBJECT TO THE PROVISIONS OF THIS SECTION, WHETHER OR NOT
3 EXPRESSLY SET FORTH OR STATED IN SUCH AGREEMENT.

4 (2) THIS SECTION SHALL NOT APPLY TO TRANSACTIONS OTHERWISE COVERED
5 UNDER THE FEDERAL PETROLEUM MARKETING PRACTICES ACT.

6 (C) IF A PRODUCER OR A REFINER OWNS A FEE SIMPLE INTEREST IN A RETAIL

7 OUTLET LEASED TO A DEALER, THE PRODUCER OR REFINER MAY NOT SELL, TRANS-
8 FER, OR ASSIGN TO ANOTHER PERSON THE PRODUCER'S OR REFINER'S INTEREST IN
9 THE RETAIL OUTLET UNLESS THE PRODUCER OR REFINER:
10 (1) MAKES A BONA FIDE OFFER TO SELL, TRANSFER, OR ASSIGN TO THE DEALER
11 THE PRODUCER'S OR REFINER'S INTEREST IN THE RETAIL OUTLET, EXCEPT FOR
12 SIGNS DISPLAYING THE INSIGNIA OR ANY OTHER TRADEMARK, SERVICE MARK,
13 COPYRIGHT, OR PATENTED EQUIPMENT OF THE PRODUCER OR REFINER; OR
14 (2) IF APPLICABLE, OFFERS A RIGHT OF FIRST REFUSAL TO THE DEALER OF
15 ANY BONA FIDE OFFER ACCEPTABLE TO THE PRODUCER OR REFINER MADE BY ANOTH-
16 ER PERSON TO PURCHASE THE PRODUCER'S OR REFINER'S INTEREST IN THE RETAIL
17 OUTLET.
18 (D) IF A PRODUCER OR REFINER LEASES A RETAIL OUTLET FROM A THIRD PARTY
19 AND SUBLEASES THE RETAIL OUTLET TO A DEALER, THE PRODUCER OR REFINER MAY
20 NOT SELL, TRANSFER, OR ASSIGN TO ANOTHER PERSON THE PRODUCER'S OR REFIN-
21 ER'S INTEREST IN THE THIRD PARTY LEASE UNLESS THE PRODUCER OR REFINER:
22 (1)(I) MAKES A BONA FIDE OFFER TO SELL, TRANSFER, OR ASSIGN TO THE
23 DEALER THE PRODUCER'S OR REFINER'S INTEREST IN THE THIRD PARTY LEASE;
24 AND
25 (II) MAKES A BONA FIDE OFFER TO SELL, TRANSFER, OR ASSIGN TO THE DEAL-
26 ER THE PRODUCER'S OR REFINER'S INTEREST IN ANY IMPROVEMENTS OR EQUIPMENT
27 OWNED BY THE PRODUCER OR REFINER AND LOCATED AT THE RETAIL OUTLET,
28 EXCEPT FOR SIGNS DISPLAYING THE INSIGNIA OR ANY OTHER TRADEMARK, SERVICE
29 MARK, COPYRIGHT, OR PATENTED EQUIPMENT OF THE PRODUCER OR REFINER, AT A
30 PRICE NOT EXCEEDING THE GREATER OF THE FAIR MARKET VALUE OR THE BOOK
31 VALUE OF THE IMPROVEMENTS AND EQUIPMENT; OR
32 (2) IF APPLICABLE, OFFERS A RIGHT OF FIRST REFUSAL TO THE DEALER OF
33 ANY BONA FIDE OFFER ACCEPTABLE TO THE PRODUCER OR REFINER MADE BY ANOTH-
34 ER PERSON TO ACQUIRE THE PRODUCER'S OR REFINER'S INTEREST IN THE THIRD
35 PARTY LEASE AND THE IMPROVEMENTS AND EQUIPMENT LOCATED AT THE RETAIL
36 OUTLET.
37 S 2. This act shall take effect immediately; provided, however, that
38 nothing in this act shall be construed to affect any retail outlet where
39 the title to such retail outlet was transferred by the producer or
40 refiner, or a contract of sale or lease of such retail outlet was
41 entered into prior to the date this act shall have become a law.