

HOUSE BILL No. 6000

September 12, 1990, Introduced by Rep. Stabenow and referred to the Committee on Transportation.

A bill to prohibit certain persons from owning and operating retail service stations; to regulate the distribution of petroleum products to retail service stations; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Affiliate" means a person who controls, is controlled
3 by, or is under common control with any other person.

4 (b) "Distributor" means a person, including any affiliate of
5 a person, who does either of the following:

6 (i) Purchases motor fuel for sale, consignment, or distribu-
7 tion to a retailer.

8 (ii) Receives motor fuel on consignment for consignment or
9 distribution to accounts of a refiner. Distributor does not

1 include a person who is a common carrier providing only
2 transportation services.

3 (c) "Major brand" means the primary brand name, trademark,
4 or trade name most commonly associated with and identified with a
5 refiner.

6 (d) "Motor fuel" means gasoline and diesel fuel of a type
7 distributed for use as a fuel in self-propelled vehicles designed
8 primarily for use on public streets, roads, and highways.

9 (e) "Period of shortage" means a period during which
10 decreased amounts of motor fuel are available for distribution to
11 retail service stations.

12 (f) "Person" means an individual, partnership, association,
13 corporation, or other legal entity.

14 (g) "Refiner" means a person or an affiliate of that person
15 engaged in the refining of crude oil to produce motor fuel.

16 (h) "Retail service station" means a place of business where
17 a motor fuel is sold to the general public.

18 (i) "Retailer" means a person who purchases motor fuel for
19 sale to the general public.

20 (j) "Secondary brand" means a brand name, trademark, or
21 trade name, other than a major brand, used to identify a
22 refiner's retail dealer.

23 (k) "Unbranded retail service station" means an independent
24 retail service station or wholesale distributor marketing motor
25 fuel under its own brand name, trademark, or trade name, which is
26 other than the brand name, trademark, or trade name of a refiner
27 or an affiliate of a refiner.

1 Sec. 2. Except as provided in sections 7 and 8, after
2 January 1, 1991, a refiner or an affiliate of a refiner shall not
3 open and operate a major brand, secondary brand, or unbranded
4 retail service station in this state.

5 Sec. 3. Except as provided in sections 7 and 8, after
6 January 1, 1992, a refiner or an affiliate of a refiner shall not
7 operate a major brand, secondary brand, or unbranded retail serv-
8 ice station in this state.

9 Sec. 4. A refiner or distributor that supplies motor fuel
10 to retail service station dealers shall extend the same terms and
11 conditions in the purchase of the fuel uniformly to all retailers
12 that the refiner or distributor supplies.

13 Sec. 5. A refiner or distributor that supplies motor fuel
14 to retail service station dealers shall not require any terms and
15 conditions in a contract between the refiner or distributor and
16 retailers that favor 1 retailer over another retailer in estab-
17 lishing or setting the retail price of motor fuel.

18 Sec. 6. A refiner or distributor shall apportion uniformly
19 all motor fuel to retail service station dealers during a period
20 of shortage and shall not discriminate among the retailers in the
21 allotments.

22 Sec. 7. The director of the department of commerce may
23 promulgate rules pursuant to the administrative procedures act of
24 1969, Act No. 306 of the Public Acts of 1969, being sections
25 24.201 to 24.328 of the Michigan Compiled Laws, prescribing the
26 circumstances under which a manufacturer may temporarily operate
27 a retail service station within this state.

1 Sec. 8. Upon application by a refiner and a showing of good
2 cause, the director of the department of commerce may allow rea-
3 sonable extensions to the divestiture dates specified in
4 sections 2 and 3.

5 Sec. 9. This act does not limit or restrict the exercise of
6 powers or the performance of the duties of the attorney general
7 or local prosecutors which they otherwise are authorized to exer-
8 cise or perform under any other provisions of law, including
9 seeking injunctive relief to stop prohibited activity.

10 Sec. 10. A person who violates this act is guilty of a mis-
11 demeanor, punishable by imprisonment for not more than 1 year or
12 by a fine of not more than \$10,000.00, or both.