

HOUSE BILL No. 6012

September 13, 1990, Introduced by Reps. Kosteva, Hertel, Gire, Weeks, Hart, Pitoniak, Porreca, Bennett, Maynard, Spaniola, Gubow, Kilpatrick, DeMars, Wallace, Sofio, Varga, Joe Young, Sr., Jacobetti, Richard A. Young, Hood, O'Neill, Stabenow, Ciaramitaro, Hickner, Harrison, Stallworth, Jonker, Palamara, Perry Bullard, Berman and Leland and referred to the Committee on Transportation.

A bill to prohibit refiners from setting the retail price of motor fuel; to prohibit a refiner from requiring that a retailer purchase motor fuel only from certain distributors; 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, other than by means of a
3 franchise, controls, is controlled by, or is under common control
4 with any other person.

5 (b) "Contract" means any oral or written agreement.

6 (c) "Distributor" means a person, including any affiliate of
7 a person, who does either of the following:

8 (i) Purchases motor fuel for sale, consignment, or
9 distribution to a retailer.

1 (ii) Receives motor fuel on consignment for consignment or
2 distribution to accounts of a franchisor. Distributor does not
3 include a person who is a common carrier providing only transpor-
4 tation services.

5 (d) "Franchise" means a contract between a refiner and a
6 retailer under which a refiner authorizes or permits a retailer
7 to use, in connection with the sale of motor fuel, a trademark
8 which is owned or controlled by a refiner. Franchise includes,
9 but is not limited to, a contract pertaining to the supply of
10 fuel which is to be sold under a trademark owned or controlled by
11 a refiner.

12 (e) "Franchisee" means a retailer who is authorized or per-
13 mitted under a franchise to use a trademark in connection with
14 the sale of motor fuel.

15 (f) "Franchisor" means a refiner who authorizes or permits
16 under a franchise a retailer to use a trademark in connection
17 with the sale of motor fuel.

18 (g) "Motor fuel" means gasoline and diesel fuel of a type
19 distributed for use as a fuel in self-propelled vehicles designed
20 primarily for use on public streets, roads, and highways.

21 (h) "Person" means an individual, partnership, association,
22 corporation, or any other legal entity.

23 (i) "Refiner" means a person or an affiliate of that person
24 engaged in the refining of crude oil to produce motor fuel.

25 (j) "Retailer" means a person who purchases motor fuel for
26 sale to the general public.

1 Sec. 2. Notwithstanding the terms of the franchise, a
2 franchisor shall not do either of the following:

3 (a) Set the retail price at which the franchisee shall sell
4 motor fuel.

5 (b) Except to limit purchases to the franchisor's motor
6 fuel, require the franchisee to purchase motor fuel from a spe-
7 cific distributor of the franchisor's motor fuel.

8 Sec. 3. A person who violates this act is guilty of a mis-
9 demeanor, punishable by imprisonment for not more than 1 year or
10 by a fine of not more than \$10,000.00, or both.