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## MOTOR FUEL PURCHASE REQUIREMENTS

House Bill 4914  
Sponsor: Rep. Nancy Cassis  
Committee: Transportation

Complete to 6-7-01

### A SUMMARY OF HOUSE BILL 4914 AS INTRODUCED 6-6-01

House Bill 4914 would amend the Motor Fuel Distribution Act, which regulates the termination and transfer of motor fuel franchises, in order to provide for certain contractual requirements and provisions. The bill specifies that these requirements would apply to contracts entered into or renewed on or after the effective date of the bill.

Under the bill, all of the following would apply to a contract or agreement between a franchisor and franchisee:

-a franchisor would be prohibited from including a requirement that a franchisee purchase all motor fuel offered for retail sale by the franchisee from the franchisor, or from any entity owned or substantially controlled by the franchisor;

-a franchisor would be allowed to include a requirement that a franchisee employ the franchisor's trade or service mark only in connection with the retail sale or distribution of motor fuel that was first offered for wholesale purchase while carrying the franchisor's brand or trademark;

-if a franchisor or distributor offered motor fuel that carried a refiner's mark or brand for wholesale sale, then the contract would be required to include a provision that the franchisor or distributor would not refuse to sell motor fuel to any entity that employed the same mark or brand in connection with the retail sale of motor fuel; and,

-a franchisor or distributor who sold motor fuel at wholesale would be required to include a provision that the franchisor or distributor could not discriminate among classes of purchasers with respect to price.

MCL 445.1801 to 445.1808

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.