

HOUSE BILL 1502

I4

0lr3503

By: **Delegates Braveboy, Ali, Barkley, Feldman, Hucker, Krysiak, Love, Manno, Minnick, Taylor, and Vaughn**

Introduced and read first time: March 3, 2010

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Gasohol and Gasoline Products – Provision to**
3 **Noncontrolled Outlets**

4 FOR the purpose of altering the circumstances under which certain distributors must
5 provide gasoline products to certain noncontrolled outlets at a certain wholesale
6 price; altering the definition of “independent jobber” for purposes of certain
7 provisions of law relating to the marketing of gasohol and gasoline products;
8 making certain stylistic and clarifying changes; and generally relating to
9 gasohol and gasoline products.

10 BY repealing and reenacting, without amendments,
11 Article – Commercial Law
12 Section 11–301(a) and (b)
13 Annotated Code of Maryland
14 (2005 Replacement Volume and 2009 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Commercial Law
17 Section 11–301(e) and (h) and 11–304(l)
18 Annotated Code of Maryland
19 (2005 Replacement Volume and 2009 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article – Commercial Law**

23 11–301.

24 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) "Controlled outlet" means an outlet which is operated by a distributor or
2 operated by company employees, a subsidiary company, commissioned agent, or by
3 any person who manages the outlet on a fee arrangement with the distributor.

4 (e) (1) "Distributor" means a person who:

5 (i) Engages in the sale, consignment, or distribution of gasohol
6 or gasoline products through retail outlets which [he] **THE PERSON** owns or leases;
7 and

8 (ii) Maintains an oral or written contractual relationship with a
9 dealer for the sale of the products.

10 (2) "Distributor" includes any subsidiary or affiliated corporation in
11 which a distributor holds at least 30 percent voting control.

12 (h) "Independent jobber" means [an individual or corporation] **A PERSON**
13 who [purchases]:

14 **(1) PURCHASES** gasohol or gasoline products from a wholesaler for
15 resale to a dealer; **AND**

16 **(2) DOES NOT OWN, LEASE, OPERATE, OR CONTROL, DIRECTLY**
17 **OR THROUGH AN AFFILIATE, RETAIL OUTLETS.**

18 11-304.

19 (l) (1) A distributor who sets the retail price of gasoline through
20 controlled outlets shall provide those noncontrolled outlets [that it supplies with] **TO**
21 **WHICH THE DISTRIBUTOR SELLS THE SAME GRADE, BRAND, AND QUALITY OF**
22 **GASOLINE IN THE SAME COMPETITIVE AREA AS THE CONTROLLED OUTLETS**
23 gasoline products at a wholesale price of at least 4 cents per gallon under the lowest
24 **RETAIL** price posted for each grade of gasoline at any controlled outlet **IN THE SAME**
25 **COMPETITIVE AREA.**

26 **(2)** Violation of this subsection constitutes price discrimination as
27 prohibited by § 11-204(a)(3) of this title.

28 **[(2)] (3)** The provisions of this [act] **SUBSECTION** do not apply to
29 independent jobbers and farm cooperatives.

30 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect
31 October 1, 2010.