

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 972

H. P. 680

House of Representatives, March 10, 1977

Speaker laid before the House and on motion of Mr. Connolly of Portland, referred to Committee on Energy. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Connolly of Portland.

Cosponsors: Messrs. Kerry of Old Orchard Beach, Davies of Orono, Kelleher of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Prohibit Producers, Refiners and Distributors of Motor Fuels
from Engaging in the Retail Sale of Gasoline.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 10 MRSA § 1452, as enacted by PL 1975, c. 549, is amended by adding at the end the following new paragraph to read:

The Legislature further finds that motor fuels are becoming a scarce commodity which is essential to the transportation system of the State, and control by a small number of firms of the supply, distribution, and retail sale of motor fuels would be harmful to the public welfare. Since a small number of firms presently supply and distribute a large proportion of the motor fuels purchased in Maine, and since a small number of firms are gaining a larger and larger percentage of the retail sale of motor fuels, the Legislature declares it to be in the public interest to preserve competition in the retail sale of motor fuels by prohibiting producers, refiners and distributors from engaging in the retail sale of gasoline.

Sec. 2. 10 MRSA § 1453, sub-§ 13 is enacted to read:

13. Retail service station. "Retail service station" shall mean a facility operated by a retail dealer where motor fuels are sold to the public.

Sec. 3. 10 MRSA § 1454-A is enacted to read:

§ 1454-A. Regulation of retail sales

1. **Operation of rental service station.** After January 1, 1978, no producer, refiner, wholesaler or distributor of petroleum products shall operate a major brand, secondary brand or unbranded retail service station in the State with company personnel, a subsidiary company, a commissioned agent or operate under a contract with any person, firm or corporation managing a service station on a fee arrangement with the producer or refiner. The station shall be operated by a retail service station dealer.

2. **Voluntary allowances uniformly expended.** Every producer, refiner or wholesaler of petroleum products supplying gasoline and special fuels to retail service station dealers shall expend all voluntary allowances uniformly to all retail service station dealers supplied.

3. **Uniform equipment rentals.** Every producer, refiner or wholesaler of petroleum products supplying gasoline and special fuels to retail service station dealers shall apply all equipment rentals uniformly to all retail service station dealers supplied.

4. **Gasoline and special fuels apportioned uniformly.** Every producer, refiner or wholesaler of petroleum products shall apportion uniformly all gasoline and special fuels to all retail service station dealers during periods of shortages on an equitable basis and shall not discriminate among the dealers in their allotments.

STATEMENT OF FACT

The purpose of this bill is to preserve the competitive structure of the retail gasoline market and to prevent a few firms from gaining control of both the distribution and retail sale of gasoline. This bill prevents producers, refiners, and distributors of motor fuels from operating retail service stations. These firms possess an oil supply and have access to capital to a greater degree than an individual retail dealer. In addition, these firms can finance their retail operations from their wholesale operations.

As a result of this bill, no one firm or small group of firms will gain control of the retail gasoline market and thereby the retail price of gasoline. This bill does not establish an agency to investigate and enforce the law. Individual retail dealers who perceive violations of the law obtain redress through the court system.