



General Assembly
February Session, 2006

Raised Bill No. 508
LCO No. 2455



Referred to Committee on

Introduced by: **GENERAL LAW**
(GL)

AN ACT CONCERNING HEATING OIL DEALER REGISTRATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-23n of the 2006 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2006*):

4 (a) A contract for the retail sale of home heating oil that offers a
5 guaranteed price plan, including fixed price contracts and any other
6 similar terms, shall be in writing and the terms and conditions of such
7 price plans shall be disclosed. Such disclosure shall be in plain
8 language and shall immediately follow the language concerning the
9 price or service that could be affected and shall be printed in no less
10 than twelve-point boldface type of uniform font.

11 (b) A home heating oil dealer that advertises a price shall offer said
12 price for a period of no less than twenty-four hours or until the next
13 advertised price is publicized, whichever occurs first.

14 (c) No home heating oil dealer shall enter into a prepaid home
15 heating oil contract or a capped price per gallon home heating oil

16 contract unless such dealer has either: (1) Obtained and maintained
17 heating oil futures contracts or other similar commitments that allow
18 such dealer to purchase, at a fixed price, heating oil in an amount not
19 less than seventy-five per cent of the maximum number of gallons that
20 such dealer is committed to deliver pursuant to all prepaid home
21 heating oil contracts entered into by such dealer or that such dealer
22 estimates is committed pursuant to all capped price per gallon home
23 heating oil contracts, respectively, or (2) obtained and maintained a
24 surety bond in an amount not less than fifty per cent of the total
25 amount of funds paid to the dealer by consumers pursuant to prepaid
26 home heating oil contracts or that the dealer estimates will be paid to
27 the dealer by consumers pursuant to all capped price per gallon home
28 heating oil contracts, respectively. Such dealer shall maintain the
29 amount of futures contracts or the amount of the surety bond required
30 by this subsection for the period of time for which such prepaid home
31 heating oil contracts or capped price per gallon home heating oil
32 contracts are effective, except that the amount of such futures contracts
33 or surety bond may be reduced during such period of time to reflect
34 any amount of home heating oil already delivered to and paid for by
35 the consumer.

36 (d) No prepaid home heating oil contract shall require any
37 consumer commitment to purchase home heating oil pursuant to the
38 terms of such contract for a period of more than eighteen months.

39 (e) Any prepaid home heating oil contract shall indicate: (1) The
40 amount of funds paid by the consumer to the dealer under such
41 contract, (2) the maximum number of gallons of home heating oil
42 committed by the dealer for delivery to the consumer pursuant to such
43 contract, and (3) that performance of such prepaid home heating oil
44 contract is secured by one of the two options described in subsection
45 (c) of this section. Any such contract shall provide that the contract
46 price of any undelivered home heating oil owed to the consumer
47 under the contract, on the end date of such contract, shall be
48 reimbursed to the consumer not later than thirty days after the end

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49 date of such contract unless the parties to such contract agree
50 otherwise.

51 (f) No person, firm or corporation engaged in the retail sale of home
52 heating oil shall advertise as a full service heating oil dealer unless
53 such person, firm or corporation employs at least one full-time service
54 technician.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	16a-23n

Statement of Purpose:

To prohibit sellers of retail home heating oil from advertising as full service heating dealers unless they employ a licensed service technician.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]



Senate

General Assembly

File No. 107

February Session, 2006

Substitute Senate Bill No. 508

Senate, March 23, 2006

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING FULL SERVICE RETAIL HOME HEATING OIL DEALERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-23n of the 2006 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2006*):

4 (a) A contract for the retail sale of home heating oil that offers a
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6 similar terms, shall be in writing and the terms and conditions of such
7 price plans shall be disclosed. Such disclosure shall be in plain
8 language and shall immediately follow the language concerning the
9 price or service that could be affected and shall be printed in no less
10 than twelve-point boldface type of uniform font.

11 (b) A home heating oil dealer that advertises a price shall offer said
12 price for a period of no less than twenty-four hours or until the next
13 advertised price is publicized, whichever occurs first.

14 (c) No home heating oil dealer shall enter into a prepaid home
15 heating oil contract or a capped price per gallon home heating oil
16 contract unless such dealer has either: (1) Obtained and maintained
17 heating oil futures contracts or other similar commitments that allow
18 such dealer to purchase, at a fixed price, heating oil in an amount not
19 less than seventy-five per cent of the maximum number of gallons that
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21 heating oil contracts entered into by such dealer or that such dealer
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23 heating oil contracts, respectively, or (2) obtained and maintained a
24 surety bond in an amount not less than fifty per cent of the total
25 amount of funds paid to the dealer by consumers pursuant to prepaid
26 home heating oil contracts or that the dealer estimates will be paid to
27 the dealer by consumers pursuant to all capped price per gallon home
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29 amount of futures contracts or the amount of the surety bond required
30 by this subsection for the period of time for which such prepaid home
31 heating oil contracts or capped price per gallon home heating oil
32 contracts are effective, except that the amount of such futures contracts
33 or surety bond may be reduced during such period of time to reflect
34 any amount of home heating oil already delivered to and paid for by
35 the consumer.

36 (d) No prepaid home heating oil contract shall require any
37 consumer commitment to purchase home heating oil pursuant to the
38 terms of such contract for a period of more than eighteen months.

39 (e) Any prepaid home heating oil contract shall indicate: (1) The
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43 contract, and (3) that performance of such prepaid home heating oil
44 contract is secured by one of the two options described in subsection
45 (c) of this section. Any such contract shall provide that the contract
46 price of any undelivered home heating oil owed to the consumer
47 under the contract, on the end date of such contract, shall be

48 reimbursed to the consumer not later than thirty days after the end
49 date of such contract unless the parties to such contract agree
50 otherwise.

51 (f) No person, firm or corporation engaged in the retail sale of home
52 heating oil shall advertise as a full service heating oil dealer unless
53 such person, firm or corporation employs or contracts with at least one
54 service technician.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	16a-23n

GL *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill prohibits a retail home heating oil seller from advertising as a full service home heating oil dealer under certain conditions. There is no fiscal impact.

The Out Years

There is no fiscal impact in the out years.

[706]

OLR Bill Analysis
sSB 508

AN ACT CONCERNING FULL SERVICE RETAIL HOME HEATING OIL DEALERS.

SUMMARY:

This bill prohibits a retail home heating oil seller from advertising that he is a full service home heating oil dealer unless he employs or contracts with a service technician.

EFFECTIVE DATE: October 1, 2006

BACKGROUND

Home Heating Oil Dealer Registration

The law requires any person, firm, or corporation engaged in retail home heating oil sales to register with the Department of Consumer Protection (DCP). Applicants must apply annually, pay a \$100 registration fee, and provide the DCP commissioner with evidence of general liability coverage and insurance to cover environmental damage due to fuel oil spills of at least \$1,000,000. They must state their registration number in their advertising. They must notify DCP if their insurance is cancelled (CGS § 16a-23m).

Registered dealers that offer plumbing or heating work service must already show that they subcontract with or employ properly licensed individuals and attest that all such work will be performed by such individuals (CGS § 16a-23o).

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 15 Nay 0 (03/09/2006)