

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE

House Bill 1502  
Economic Matters

(Delegate Braveboy, *et al.*)

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Commercial Law - Gasohol and Gasoline Products - Provision to Noncontrolled  
Outlets

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This bill amends the Gasohol and Gasoline Products Marketing Act to alter the circumstances under which a gasoline distributor must provide a noncontrolled outlet with gasoline at a specified wholesale price.

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Fiscal Summary

**State Effect:** The bill does not directly affect State finances or operations.

**Local Effect:** The bill does not directly affect local finances or operations.

**Small Business Effect:** Potential minimal.

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Analysis

**Bill Summary:** As specified, a distributor who sets the retail price of gasoline through a controlled outlet must provide a noncontrolled outlet with gasoline products at a wholesale price of at least 4 cents per gallon below the lowest retail price posted for each grade of gasoline at any controlled outlet in the same competitive area. This applies when the distributor sells the same grade, brand, and quality of gasoline in the same competitive area as the controlled outlet.

The bill amends the definition of “independent jobber” to mean a person who (1) purchases gasohol or gasoline products from a wholesaler for resale to a dealer; and (2) does not own, lease, operate, or control, directly or through an affiliate, retail outlets.

**Current Law/Background:** The Maryland Gasohol and Gasoline Products Marketing Act, created in response to the oil crises of the 1970s, defines the relationships and responsibilities of the parties to certain agreements pertaining to petroleum product marketing arrangements. A person who violates a provision of the Act is liable for damages caused by the violation and is subject to any other legal or equitable remedies available to the party injured by the violation. The Act defines a “distributor” as a person who (1) engages in the sale, consignment, or distribution of gasohol or gasoline products through specified retail outlets; and (2) maintains a contractual relationship with a dealer for the sale of products.

A distributor who sets the retail price of gasoline through a controlled outlet must provide a noncontrolled outlet with gasoline products at a wholesale price of at least 4 cents per gallon below the lowest price posted for each grade of gasoline at any controlled outlet.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division), Comptroller’s Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 26, 2010  
mpc/kdm

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