

**BILL NUMBER:**

S8110

**PURPOSE:**

The purpose of the bill is to amend provisions of the Agriculture and Markets Law (AML) to require notification to consumers of the price of motor fuel depending on payment method. The amendments require that all signs, including those on the motor fuel's dispensing device and road side signs, set forth the price of motor fuel based upon whether payment is made by cash, credit card or debit card. However, price contract sales and retailer promotions would be excluded from the fuel dispensing device sign requirement. The bill also expressly authorizes the use of electronic displays and would extend the Department's authority to road signs.

The bill also repeals the diesel motor fuel cetane rating requirements (for sale and signage); and adds a requirement that the grade of diesel motor fuel be specified.

**SUMMARY OF PROVISIONS:**

Section 1 of the bill would amend subparagraph (i) of AML section 192(5)(a) to reduce the minimum size of the sign stating the selling price that must be posted on a motor fuel dispensing device, except for devices that only dispense one grade of motor fuel. It would also exclude price contract sales and retailer promotions from the pump/dispensing device posting requirements.

Section 2 of the bill would renumber subparagraph (ii) as subparagraph (iii) and adds a new subparagraph (ii) of AML section 192(5)(a) to provide that if a grade of motor fuel is offered at different prices depending upon the method of payment, all such prices must be disclosed on the sign posted on the fuel's dispensing device. It would also expressly authorize the use of electronic displays. Subparagraph (ii) as renumbered would be amended to require that only the highest and lowest selling price per gallon be posted where an individual pump or dispensing device dispenses more than four differently priced grades of motor fuel.

Section 3 of the bill would add a new subparagraph (iv) to AML section 192(5)(a) to provide that signs advertising the price of the motor fuel which are not placed on the dispenser(s) of motor fuel must clearly set forth the grade of motor fuel offered for sale, its price, and whether such price is dependent upon a particular method of payment. A new subparagraph (v) would be added to provide that any local law or regulation which regulates such signs and that is in effect prior to the effective date of the bill may continue to be implemented and enforced.

Section 4 of the bill would amend the title of AML section 192-c, paragraph b of section 192-c(3) and paragraph b of section 192-c(5) to provide that the grade of diesel motor fuel, rather than the cetane rating, must be shown on the documentation provided by a refiner, distributor or reseller to a purchaser; and displayed by a retailer on the sign for a retail petroleum dispensing device.

**JUSTIFICATION:**

For over twenty-five years, some service stations in New York have sold motor fuel of the same grade at different prices, depending upon whether the consumer paid by cash, credit card, or debit card. The proposed amendments to AML section 192(5)(a) would ensure that consumers are made aware of the actual price to be paid for motor fuel, whether they are using cash, credit or debit, by requiring that all signs that set forth the price of motor fuel must also set forth whether that price is dependent upon a

particular method of payment. Furthermore, the proposed amendments, by requiring that only those motor fuel dispensing devices that dispense more than four different grades of motor fuel must post the highest and lowest price of each will prevent a profusion of signs from having to be placed on such devices. It will eliminate clutter on these dispensing devices and relieve consumers of the burden of having to wade through excessive and perhaps confusing information.

The bill would expand the Department's authority to signs placed other than on an individual pump or dispensing device. However, the provision would not preempt any local laws which regulate such signs that are in effect prior to the effective date of the bill. Dutchess, Ulster and Westchester Counties currently have such local laws. This new authority will help the Department ensure that all signs advertising motor fuel provide consumers with accurate and consistent information.

The proposed amendments will not only benefit consumers by helping them to determine the actual price they will be paying for motor fuel and to compare prices offered by different service stations, but will also protect service stations from those using certain deceptive pricing practices, promoting fair competition.

The proposed amendments to AML section 192-c(3)(b) and (5)(b) would remove the requirements that the cetane rating for diesel motor fuel be documented upon sale by a refiner, distributor or reseller; and shown by a retailer on the sign for a retail petroleum dispensing device. The requirement to post both grade and cetane is widely viewed as redundant as both 1 and 2 D diesel fuel are required to have a minimum cetane of 40. Most states have removed the requirement to post cetane.