

ASSEMBLY, No. 5523

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 5, 2023

Sponsored by:

Assemblyman REGINALD W. ATKINS

District 20 (Union)

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Requires certain wholesale pricing of motor fuels be set using formula.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/5/2023)

1 AN ACT concerning wholesale pricing of motor fuels and
2 supplementing P.L.1953, c.413 (C.56:6-19 et seq.).
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:
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7 1. a. It is unlawful and a violation of the “Unfair Motor Fuels
8 Practices Act,” P.L.1953, c.413 (C.56:6-19 et seq.), for any
9 distributor, refiner, wholesaler, or supplier to charge a tank wagon
10 price to a retail dealer unless that price was set using a formula that
11 was negotiated and agreed to between contract parties, and that
12 price shall not be more than five cents per gallon above the listed
13 price for that product at the distribution terminal at the time it was
14 purchased.

15 b. This section shall not apply:

16 (1) if the retail dealer owns the property the station is located on
17 or if the property is leased directly to the retail dealer by a third
18 party who is not a distributor, refiner, wholesaler, or supplier;

19 (2) to consignment sales of motor fuels; or

20 (3) to any contract existing before the effective date of this act.

21 c. Any contract for motor fuel negotiated and entered into
22 between a distributor, refiner, wholesaler, or supplier and a retail
23 dealer on or after the effective date of P.L. , c. (C.)
24 (pending before the Legislature as this bill), shall comply with this
25 section.

26 d. A distributor, refiner, wholesaler, or supplier found in
27 violation of this section shall be subject to a fine of \$5,000 per
28 delivery of motor fuel priced in violation of this section.
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30 2. This act shall take effect immediately.
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33 STATEMENT
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35 This bill prohibits a distributor, refiner, wholesaler, or supplier
36 from charging a tank wagon price to a retail dealer unless that price
37 is set using a negotiated and agreed-upon formula. The negotiated
38 price shall not be more than five cents per gallon above the listed
39 price for that product at the distribution terminal at the time it was
40 purchased.

41 “Tank wagon price” is defined under the “Unfair Motor Fuels
42 Practices Act” as the invoice cost of motor fuel to the retailer.

43 The provisions of this bill do not apply if the retail dealer owns
44 the property the station is located on or if the property is leased
45 directly to the retail dealer by a third party who is not a distributor,
46 refiner, wholesaler, or supplier. Additionally, this bill does not
47 apply to consignment sales of motor fuels or contracts existing

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1 before its effective date. Contracts negotiated and entered into after
2 the effective date must comply with the requirements of the bill.

3 An entity that prohibits a provision of the bill is subject to a fine
4 of \$5,000 per delivery of motor fuel priced in violation of the bill.