

APR 11 1912

SENATE FILE 2200
BY CONNOLLY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the regulation of wholesale motor vehicle fuel
2 distribution and providing penalties and a remedy.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2200

1 Section 1. NEW SECTION. 214B.1 LEGISLATIVE INTENT.

2 It is the policy of this state to protect consumers from
3 unfair competition and pricing which result in unreasonable
4 and inappropriate price differences for a similar or same
5 product and which are not the result of free market economic
6 forces. The general assembly finds that certain citizens of
7 Iowa and nonresidents engaging in consumer transactions
8 involving motor vehicle fuel and special fuel have been
9 affected by ineffective or unfair competition resulting in
10 artificially high retail prices for those fuels. It is the
11 intent of the general assembly to protect the health, safety,
12 and general welfare of the people of this state and the
13 general assembly finds that promoting effective competition in
14 the wholesale and retail motor vehicle and special fuels
15 markets will further that intent.

16 Sec. 2. NEW SECTION. 214B.2 MARKET SHARE LIMITATION --
17 DEFINITION OF UNFAIR MARKET SHARE -- PENALTY.

18 1. A wholesale dealer shall not engage in an unfair method
19 of competition affecting the retail motor vehicle and special
20 fuels markets. A person violating this chapter, and any
21 officer, agent, or receiver of any firm, company, association,
22 or corporation violating this chapter is guilty of a serious
23 misdemeanor.

24 2. The county attorney and attorney general shall enforce
25 this chapter through appropriate actions in courts of
26 competent jurisdiction, including through the divestiture of
27 wholesale dealer interests in retail operations the ownership
28 of which is in violation of this chapter.

29 3. For purposes of this section, unless the context
30 otherwise requires:

31 a. "Retail dealer" means retail dealer as defined in
32 section 214A.1.

33 b. "Unfair method of competition" includes, but is not
34 limited to, all of the following:

35 (1) A wholesale dealer having an ownership interest in

1 fifteen percent or more of the retail outlets in any area
2 serving a population base of seventy-five thousand or greater.
3 For purposes of this subparagraph, the percentage of retail
4 outlets shall be determined by dividing the total number of
5 containers or pumps from which motor vehicle or special fuel
6 is sold in the area served in which the wholesale dealer has
7 an ownership interest by the total number of containers or
8 pumps from which motor vehicle or special fuel is sold in the
9 area served.

10 (2) A wholesale dealer having an ownership interest in
11 retail dealers in any market charging a wholesale price to
12 independent retail dealers or retail dealers owned by another
13 person, who compete with the retail dealers in which the
14 wholesale dealer has an ownership interest, which is higher
15 than the price the wholesale dealer charges to the retail
16 dealers in which the wholesale dealer has an interest.

17 c. "Wholesale dealer" means wholesale dealer as defined in
18 section 214A.1.

19 EXPLANATION

20 This bill provides that a wholesale dealer which engages in
21 an unfair method of competition is guilty of a serious
22 misdemeanor. Unfair method of competition is defined as a
23 wholesale dealer having an ownership interest in 15 percent or
24 more of the retail outlets in an area serving a population
25 base of 75,000 or greater, or charging a higher wholesale
26 price to retail outlets in which the wholesale dealer has no
27 ownership interest than those outlets in which the wholesale
28 dealer does have an ownership interest.

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