
A BILL FOR AN ACT

RELATING TO THE PETROLEUM INDUSTRY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Independent and locally owned gas stations are
2 a key component in ensuring that Hawaii's high fuel prices
3 remain competitive and are not artificially inflated from lack
4 of competition. The purpose of this Act is to require gasoline
5 distributors, wholesalers, refineries, and jobbers to offer all
6 gas stations and groups of gas stations the same volume
7 discounts and to allow gasoline dealers to establish cooperative
8 purchasing agreements to obtain volume discounts.

9 SECTION 2. Chapter 468H, Hawaii Revised Statutes, is
10 amended by adding two new sections to be appropriately
11 designated and to read as follows:

12 "§486H- Volume discounts. Any motor vehicle fuel
13 manufacturer, distributor, wholesaler, refinery, or jobber that
14 provides motor vehicle fuel volume discounts to any gasoline
15 dealer, retail service station, or group of retail service
16 stations shall provide the same volume discounts to all other
17 gasoline dealers, retail service stations, and group of retail

1 service stations, including groups of retail service stations
2 pursuant to a cooperative purchasing agreement.

3 §486H- Cooperative purchasing authorized. (a) A
4 gasoline dealer who operates an independent retail station or
5 stations may participate in, sponsor, conduct, or administer a
6 cooperative purchasing agreement for the purchase of gasoline
7 with one or more gasoline dealers pursuant to an agreement
8 entered into between the participants. Cooperative purchasing
9 agreements under this section shall be for the purpose of
10 providing gasoline dealers purchasing power to acquire discounts
11 on purchases of gasoline and thereby lower costs for dealers and
12 consumers. The cooperative purchasing may include joint or
13 multi-party contracts between gasoline dealers.

14 (b) Cooperative purchasing agreements under this section
15 shall not be considered in restraint of trade. No gasoline
16 dealer, method, or act thereof that complies with this section
17 shall be deemed to commit a conspiracy or combination in
18 restraint of trade or an illegal monopoly, or an attempt to
19 lessen competition or fix prices arbitrarily, or the creation of
20 a combination or pool, or to accomplish any improper or illegal
21 purpose. No agreement authorized under this section shall be
22 considered as illegal, in restraint of trade, or as part of a

1 conspiracy or combination to accomplish an illegal purpose or
2 act."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on July 1, 2012.

Report Title:

Gasoline Dealers; Volume Discount; Cooperative Purchasing Agreement

Description:

Requires motor vehicle fuel wholesalers and similar entities that offer volume discounts to any retail service station to offer the same volume discounts to all retail service stations. Allows gasoline dealers to enter into cooperative purchasing agreements to acquire discounts on gasoline purchases. (HD1 Proposed)

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