

HB 566 – AS INTRODUCED

2013 SESSION

13-0002
05/09

HOUSE BILL

566

AN ACT regulating guaranteed price plans and prepaid contracts for heating oil, kerosene, or liquefied petroleum gas.

SPONSORS: Rep. Schlachman, Rock 18; Rep. Schuett, Merr 20; Rep. Copeland, Rock 19; Rep. Lovejoy, Rock 36; Rep. Davis, Merr 20; Sen. Prescott, Dist 23

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill requires home heating oil, kerosene, or liquefied petroleum gas dealers to secure customer prepaid deposits by maintaining an escrow account, letter of credit, or surety bond of a specified amount with the office of the attorney general as the beneficiary.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT regulating guaranteed price plans and prepaid contracts for heating oil, kerosene,
 or liquefied petroleum gas.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Requirements for Guaranteed Price Plans and Prepaid Contracts for Petroleum. RSA 339:79,
2 IV is repealed and reenacted to read as follows:

3 IV. Any dealer who sells heating oil, kerosene, or liquefied petroleum gas in advance of the
4 heating season or on a continuous basis shall secure customer prepaid deposits in one of the
5 following ways:

6 (a) Establish an escrow account, naming the state of New Hampshire, office of the
7 attorney general, as beneficiary, at a financial institution within the state of New Hampshire
8 identifying that institution as escrow agent. Once established and as long as customer prepaid
9 balances exist, this escrow account shall hold funds equivalent to 75 percent of the total amount of
10 prepaid balances owed to customers pursuant to prepaid heating oil, kerosene, or liquefied petroleum
11 gas contracts; any interest earned on escrowed funds shall accrue to the dealer. Deposits to and
12 withdrawals from this escrow account by the dealer should be made not less than daily and not more
13 than weekly;

14 (b) Maintain a letter of credit, naming the state of New Hampshire, office of the attorney
15 general as beneficiary, from an FDIC-insured institution in an amount that represents 75 percent of
16 the total amount of prepaid balances owed to customers pursuant to prepaid heating oil, kerosene, or
17 liquefied petroleum gas contracts. The amount of the letter of credit may be adjusted monthly
18 within 7 days of the close of the calendar month; or

19 (c) Maintain a surety bond, made payable to the attorney general, in an amount not less
20 than 75 percent of the total amount of funds paid to the dealer by consumers pursuant to prepaid
21 heating oil, kerosene, or liquefied petroleum gas contracts. The amount of the surety bond may be
22 adjusted monthly within 7 days of the close of the calendar month.

23 2 Effective Date. This act shall take effect 60 days after its passage.