



## Selling a Home with Propane Service: Quick Facts and Pre-sale Checklist

Propane service differs from oil and other fuels, and is regulated under state law. If a property under contract for purchase/sale has propane service, there are some specific and important steps you can take that will ease the transfer for your client and avoid post-sale problems.

### Quick Facts:

- Most propane tanks are **not owned by the property owner**, and propane dealers are not permitted to fill a tank without permission of the *tank owner*.
- Under state law, when **terminating service** to their consumer, propane dealers **must refund their consumer for fuel remaining in the tank**. State law does not provide for propane dealers to direct any refund to another party, or to determine who has the legal right to the fuel or refund due for the fuel. Dealers must issue a refund to their consumer.
- State law defines a propane consumer as: "...any person who purchases propane, for consumption and not for resale, through a meter or has propane delivered to one or more storage tanks of 2000 gallons or less." If the property buyer has not purchased propane for the property, they are not the consumer and cannot receive the refund required when service is terminated.
- If a tank has been on the property for more than 12 months, the propane dealer may not charge any fee relating to termination of service, including tank removal (even if tank is underground).

### Pre-Sale Checklist:

- ✓ **Seller: Notify the propane dealer** of the impending sale and closing date as soon as it is known. The seller should make arrangements for the propane dealer to terminate their account, including taking a measurement of any remaining fuel and resolving any balance associated.
- ✓ **Seller: Determine tank ownership** by reviewing their contract, contacting the propane dealer and/or contacting the town clerk to determine if there is a UCC filing regarding the tank. If the tank is owned by the property seller, the seller may negotiate transfer of fuel to buyer.
- ✓ **Seller: Arrange tank removal** if tank is owned by the propane dealer and the buyer does not wish to continue with service through that dealer.
- ✓ **Buyer: Notify seller and make arrangements for propane service** by contacting the seller's current propane dealer to determine usage and get pricing and service terms. Shop around, if desired, by contacting other dealers. Request pricing and fee disclosures to better compare costs between dealers. Seller should provide fuel usage information so the buyer can obtain accurate pricing information.
- ✓ **Buyer: Check tank ownership** by requesting documentation demonstrating tank is owned by seller or contract that indicates tank is owned by propane dealer. Another dealer might not provide service if they cannot determine tank ownership.