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**EXPLANATION OF S.B. 66**  
(Prepared by the Legal Division)

This bill revises the provisions governing certain agreements relating to the sale of cigarettes.

**Subsection 1 of section 1** of the bill provides that, with certain exceptions, a retail dealer may contract or enter into any other agreement with a supplier<sup>1</sup> to obtain, participate in or receive payments from the supplier in accordance with any merchandising, advertising, display or promotional program of the supplier relating to the sale of cigarettes, to receive compensation from the supplier for providing space to advertise, display or promote any product of the supplier, or to purchase cigarettes from the supplier.

However, **subsection 2 of section 1** of the bill provides that a contract or agreement must not require the retail dealer to allocate to the supplier for any purpose (1) all or any portion of the retail dealer's cigarette category space<sup>2</sup> or any other space that is used to display, advertise or place a sign for a product or (2) a determined amount of space specified as a condition for participating in or receiving payments under a program. Also, a contract or agreement must not limit or prohibit the retail dealer's use of any cigarette category space or conduct relating to or participation in any promotion,<sup>3</sup> program or other activity relating to the sale, display, merchandising, pricing or advertising of any product of another supplier. Finally, a contract or agreement must not violate any other provision of NRS 370.001 to 370.430, inclusive, or any regulation adopted pursuant to those provisions.

**Subsection 3 of section 1** of the bill provides that a person who violates any provision of section 1 of the bill is guilty of a misdemeanor and shall be punished by a fine of not more than \$50 for each offense.

**Sections 2, 3, 4, 5, 7 and 8** of the bill amend various provisions of NRS to indicate the placement of section 1 of the bill during codification.

**Section 6** of the bill amends NRS 370.376 to clarify that the provisions of that section apply to an "agreement" as well as a contract.

**Section 9** of the bill provides that the amendatory provisions of the bill apply to any contract or agreement specified in section 1 of the bill that is or was entered into before, on or after October 1, 2003.

<sup>1</sup> "Supplier" means any manufacturer, importer or wholesale dealer who, directly or indirectly, supplies, sells or delivers to a retail dealer in this state, or offers to supply, sell or deliver any cigarette, advertisement, merchandise or promotion relating to the sale of cigarettes.

<sup>2</sup> "Cigarette category space" means all or any portion of the premises of a retail dealer that display a sign, advertisement, promotion or other statement relating to the sale of cigarettes.

<sup>3</sup> "Promotion" means a promotion, solicitation or notification that induces or attempts to induce a person to purchase or attempt to purchase cigarettes.

*Brad S.B. 66*  
*Exhibit*

**SYNOPSIS OF LAWS PASSED BY  
THE NEVADA LEGISLATURE  
REGARDING TOBACCO SALES AND USE**

*Nick Anthony*  
*SB 66*  
*Exhibit*

**PREEMPTION**

**NRS CH 259**

In 1991, the Nevada State Legislature passed S.B. 311, which prohibits local governments from adopting regulations more stringent than state law.

**CIGARETTE VENDING MACHINES**

**NRS CH 651**

In 1993, the Nevada State Legislature passed S.B. 421, which prohibits the placement of cigarette vending machines in public elevators, public waiting rooms of medical facilities and medical professionals' offices, stores that sell food, child care facilities and buses, if minors have access to those areas. The law also establishes a criminal penalty of a misdemeanor and civil penalty of \$100.00 per violation for a person violating this provision of the law.

**TOBACCO SALES**

**NRS CH 682**

In 1995, the Nevada State Legislature passed A.B. 622, which requires the attorney general to inspect for and enforce compliance with laws pertaining to the sale of tobacco and to report upon those inspections. The law also prohibits the sale of non-tobacco products in a coin-operated vending machine containing cigarettes. A.B. 622 adopts provisions stating that a person who sells cigarettes to minors shall be punished by a fine of no more than \$500.00 unless prior to the sale they demanded valid identification that proves the purchaser is over 18 years of age. Finally the law prevents an agency, board, commission or any political subdivision of the state from adopting restrictions regarding tobacco that are more stringent than state law.

**TOBACCO SALES**

**NRS CH 683**

In 1995, the Nevada State Legislature passed A.B. 637, which appropriated \$60,000 to the Attorney General's office to enforce current laws prohibiting the sale of tobacco to minors.

**USE OF TOBACCO BY MINORS**

**DID NOT PASS IN THE ASSEMBLY**

In 1997, the Nevada State Senate passed S.B. 33, which would have prohibited a minor from possessing and using tobacco on school property. The bill also stated that a minor who engages in such conduct is a child in need of supervision and care or rehabilitation and required that they pay a \$50.00 fine or perform community service. It also would have required the minor to attend a class designed to discourage the use of tobacco products for a first or second offense. For a third offense it would have required the driver's license of such a minor to be suspended for not less than 1 year. The bill also authorized school