

SENATE BILL NO. 66—COMMITTEE ON JUDICIARY

FEBRUARY 7, 2003

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing certain agreements for sale of cigarettes. (BDR 52-186)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to cigarettes; prohibiting a supplier of cigarettes from entering into a contract or other agreement with a retail cigarette dealer under certain circumstances; requiring a supplier of cigarettes to reimburse a retail cigarette dealer for any consumer price discount or consumer promotion within a certain period after the expiration of the program for the consumer price discount or consumer promotion; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 597 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. A supplier shall not enter into a contract or other***
4 ***agreement with a retail cigarette dealer that directly or indirectly:***
5 ***(a) Requires the retail cigarette dealer to:***
6 ***(1) Allocate to the supplier for any purpose all or any***
7 ***portion of the retail cigarette dealer's cigarette category space or***
8 ***the contents thereof stated as a specific percentage or fraction;***
9 ***(2) Engage in any conduct or action as a condition for***
10 ***participating in or receiving payments under a consumer price***
11 ***discount program or consumer promotion program of the***
12 ***supplier, except that the contract or agreement may require the***
13 ***retail cigarette dealer to provide the discount or promotion to a***



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- 1 consumer, or to advertise and display the promotion and the
2 promoted or discounted product to consumers; or
3 (3) Increase his prices for a cigarette product; or
4 (b) Limits or prohibits the retail cigarette dealer from:
5 (1) Determining the size or location of his cigarette
6 category space;
7 (2) Participating in or engaging in conduct relating to any
8 promotion, program or other activity relating to the sale, stocking,
9 display, merchandising, pricing or advertising of any product of
10 another supplier;
11 (3) Stocking or selling a cigarette product; or
12 (4) Retaining or reducing his prices concerning a cigarette
13 product.
14 2. A supplier shall reimburse a retail cigarette dealer for any
15 consumer price discount or consumer promotion provided to a
16 consumer within 90 days after the expiration of the program for
17 the consumer price discount or consumer promotion. Any
18 reimbursement required pursuant to this subsection is contingent
19 upon compliance by the retail cigarette dealer with the terms of
20 the contract for the consumer price discount or consumer
21 promotion, including any terms relating to maintaining adequate
22 documentation and accounting for the results of the discount or
23 promotion.
24 3. As used in this section:
25 (a) "Cigarette" means all rolled tobacco or substitutes therefor
26 wrapped in paper or any substitute other than tobacco, irrespective
27 of size or shape and whether or not the tobacco is flavored,
28 adulterated or mixed with any other ingredient.
29 (b) "Cigarette category space" means all or any portion of the
30 premises of a retail cigarette dealer or any other space of a retail
31 cigarette dealer that is reserved, identified, used or otherwise made
32 available to display, stock, store, promote, advertise or maintain
33 cigarettes or cigarette products or signs, advertisements, display
34 materials, promotions or any other statements relating to
35 cigarettes or cigarette products.
36 (c) "Promotion" means a promotion, solicitation or
37 notification that induces or attempts to induce a person to
38 purchase cigarettes or cigarette products.
39 (d) "Retail cigarette dealer" means any person who offers to
40 sell cigarettes at retail or who is engaged in selling cigarettes at
41 retail. The term does not include a store that:
42 (1) Has at least 17,000 square feet of indoor retail space;
43 and
44 (2) Is principally devoted to the sale of food for human
45 consumption off the premises.



1 (e) “Supplier” means any cigarette manufacturer or importer
2 who, directly or indirectly through an agent, representative, broker
3 or distributor, supplies, sells or delivers to a retail cigarette dealer
4 in this state, or offers to supply, sell or deliver to a retail cigarette
5 dealer in this state, any cigarettes or any advertisement,
6 merchandising or promotion relating to the sale of cigarettes.

