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Senate Bill # 66

February 7, 2003

Amendment – May 14, 2003

Summary – Prohibits supplier of cigarettes from using certain contracts and agreements. Requires supplier of cigarettes to reimburse retail cigarette dealer for consumer price discount or consumer promotion provided to consumer within 90 days after retail cigarette dealer provides discount or promotion to consumer. (BDR 52-186)

AN ACT relating to cigarettes; requiring a supplier of cigarettes to reimburse a retail cigarette dealer for any consumer price discount or consumer promotion provided to a consumer within 90 days after the retail cigarette dealer provides the discount or promotion to the consumer; and providing other matters properly relating thereto.

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

Section 1. Chapter 597 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A supplier shall not enter into a contract or agreement with a retail cigarette dealer that directly or indirectly:
 - (a) Requires the retail cigarette dealer to:
 - (1) Allocate to the supplier for any purpose all or any portion of the retail cigarette dealer's cigarette category space or the contents thereof stated as a specific percentage or fraction;
 - (2) Engage in any conduct or action as a condition for participating in or receiving payments under the supplier's consumer price discount or consumer promotion programs, except that the contract or agreement may require the retail cigarette dealer to provide the discount or promotion to consumers, or to advertise and display the promotion and the promoted or discounted product to consumers, or to do both; or
 - (3) Increase its prices for any product of another supplier; or
 - (b) Limits or prevents the retail cigarette dealer from:
 - (1) Determining the size or location of its cigarette category space; or
 - (2) Engaging in conduct relating to or participation in any promotion, program or other activity relating to the sale, stocking, display, merchandising, pricing or advertising of any product of another supplier;
 - (3) Stocking or selling any particular cigarette product; or
 - (4) Retaining or reducing its prices with respect to any particular cigarette product.

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SUBMITTED BY: Jack Jescey

2. A supplier shall reimburse a retail cigarette dealer for any consumer price discount or consumer promotion provided to a consumer within 90 days after the retail cigarette dealer provides the discount or promotion to the consumer.
3. As used in this section:
 - (a) "Cigarette" means all rolled tobacco or substitutes therefore wrapped in paper or any substitute other than tobacco, irrespective of size or shape and whether or not the tobacco is flavored, adulterated or mixed with any other ingredient.
 - (b) Except as otherwise provided in this paragraph, "Retail cigarette dealer" means any person who offers to sell cigarettes at retail or who is engaged in selling cigarettes at retail. The term does not include a store that:
 - (1) Has 17,000 or more square feet of indoor retail space; and
 - (2) Is principally devoted to the sale of food for human consumption off the premises.
 - (c) "Supplier" means any cigarette manufacturer or importer who, directly or indirectly through an agent, representative, broker or distributor, supplies, sells or delivers to a retail cigarette dealer in this state, or offers to supply, sell or deliver to a retail cigarette dealer in this state, any cigarettes or any advertisement, merchandising or promotion relating to the sale of cigarettes.
 - (d) "Cigarette category space" means all or any portion of the premises of a retail cigarette dealer or any other space of a retail cigarette dealer that is reserved, identified, used or otherwise made available to display, stock, store, promote, advertise or maintain cigarettes or cigarette products or signs, advertisements, display materials, promotions or other statements relating to cigarettes or cigarette products.
 - (e) "Promotion" means a promotion, solicitation or notification that induces or attempts to induce a person to purchase cigarettes or cigarette products.