

House Bill 6566
Sponsor: Rep. Mike Kowall
Committee: Commerce

Complete to 12-3-02

A SUMMARY OF HOUSE BILL 6566 AS INTRODUCED 12-3-02

The bill would amend Public Act 271 of 1941 to prohibit certain conduct by cigarette manufacturers relating to consumer price or product promotions offered through retailers. Generally speaking, the bill would require a manufacturer offering such a promotion to treat retailers equally and would prohibit a manufacturer offering such a promotion from preventing retailers from participating in a promotion of another manufacturer. Specifically, the bill would do the following.

1) It would be an unfair trade practice for a cigarette manufacturer to directly or indirectly require a retailer to do either of the following as a condition of participating in a consumer price or product promotion by that manufacturer:

- limit or restrict the retailer's pricing or sale of any products of another cigarette manufacturer; or
- limit or restrict the retailer's participation in a promotion offered by another cigarette manufacturer.

2) It would be an unlawful trade practice for a cigarette manufacturer to directly or indirectly offer or provide to a retailer a consumer price or product promotion on cigarettes or for a retailer to accept the promotion unless the promotion:

- was offered to each retailer in the state;
- had a time period or duration that was the same for each retailer;
- contained a discount amount or other incentive based on the number of units purchased or sold by a retailer that was the same for each retailer; and
- the manufacturer agreed to reimburse the retailer for the amount of any discounts or other incentives within 30 days after the retailer offered to promotion to consumers. The manufacturer could require the retailer to provide the full amount of any discount or other incentive included in the promotion of consumers but could not impose any other conditions on its obligation to reimburse the retailer.

MCL 445.106d

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