

# HOUSE BILL No. 6566

December 3, 2002, Introduced by Rep. Kowall and referred to the Committee on Commerce.

A bill to amend 1941 PA 271, entitled

"An act to define certain unlawful trade practices connected with the sale or other transfer; or with the purchase for another of goods, wares or merchandise; to provide certain penalties for the commission of such unlawful trade practices; and to provide for enjoining the commission of such trade practices and permitting the rescission of certain contracts,"

(MCL 445.101 to 445.109) by adding section 6d.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 6D. (1) IT IS AN UNFAIR TRADE PRACTICE FOR A CIGARETTE  
2 MANUFACTURER TO DIRECTLY OR INDIRECTLY REQUIRE A RETAILER TO DO  
3 EITHER OF THE FOLLOWING AS A CONDITION TO PARTICIPATING IN A CON-  
4 SUMER PRICE OR PRODUCT PROMOTION OF THAT CIGARETTE MANUFACTURER:  
5           (A) LIMIT OR RESTRICT THE RETAILER'S PRICING OR SALE OF ANY  
6 PRODUCTS OF ANOTHER CIGARETTE MANUFACTURER.

1 (B) LIMIT OR RESTRICT THE RETAILER'S PARTICIPATION IN A  
2 CONSUMER PRICE OR PRODUCT PROMOTION OFFERED BY ANOTHER CIGARETTE  
3 MANUFACTURER.

4 (2) IT IS AN UNLAWFUL TRADE PRACTICE FOR A CIGARETTE MANU-  
5 FACTURER TO DIRECTLY OR INDIRECTLY OFFER OR PROVIDE TO A RETAIL-  
6 ER, OR A RETAILER TO ACCEPT FROM THE CIGARETTE MANUFACTURER, A  
7 CONSUMER PRICE OR PRODUCT PROMOTION ON CIGARETTES UNLESS THE PRO-  
8 MOTION MEETS ALL OF THE FOLLOWING:

9 (A) THE PROMOTION IS OFFERED TO EACH RETAILER IN THIS  
10 STATE.

11 (B) THE TIME PERIOD AND DURATION OF THE PROMOTION, AND THE  
12 AMOUNT OF ANY DISCOUNT OR OTHER INCENTIVE OFFERED BASED ON THE  
13 NUMBER OF UNITS PURCHASED OR SOLD BY A RETAILER, IS THE SAME FOR  
14 EACH RETAILER.

15 (C) THE MANUFACTURER AGREES TO REIMBURSE THE RETAILER FOR  
16 THE AMOUNT OF ANY DISCOUNTS OR OTHER INCENTIVES EARNED BY THE  
17 RETAILER, WITHIN 30 DAYS AFTER THE RETAILER OFFERS THE PROMOTION  
18 TO CONSUMERS. THE CIGARETTE MANUFACTURER MAY REQUIRE THE  
19 RETAILER TO PROVIDE THE FULL AMOUNT OF ANY DISCOUNT OR OTHER  
20 INCENTIVE INCLUDED IN THE PROMOTION TO CONSUMERS BUT MAY NOT  
21 IMPOSE ANY OTHER CONDITIONS ON ITS OBLIGATION TO REIMBURSE THE  
22 RETAILER UNDER THIS SUBDIVISION.