

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2259

By: Fields

COMMITTEE SUBSTITUTE

An Act relating to contracts; authorizing certain contracts between cigarette retailers and manufacturers; prohibiting certain requirements, restrictions and limitations; defining terms; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 671 of Title 15, unless there is created a duplication in numbering, reads as follows:

A. A cigarette retailer and manufacturer shall have the right to enter into contracts or agreements with each other for the retailer to:

1. Obtain, participate in and receive payments from the manufacturer pursuant to the manufacturer's cigarette merchandising, advertising, display or promotion programs, whether permanent or temporary;

2. Be compensated by the manufacturer for providing space for the merchandising, advertising, display or promotion of the manufacturer's products; or

3. Purchase cigarettes.

B. A contract or agreement described in subsection A of this section shall not directly or indirectly:

1. Require the retailer to allocate:

- a. a percentage or fraction of all or any part of the retailer's:
 - (1) space available for product display, signage or advertising, or
 - (2) cigarette category space, to a manufacturer for any purpose, or
- b. a determined amount of such space, whether expressed in footage, product facings or other forms of stated measurement, to a manufacturer in order to receive, participate in, or receive payment under, a manufacturer's promotions; or

2. Restrict or limit:

- a. a retailer's cigarette category space, or
- b. a retailer's conduct of or participation in any program or activity concerning the sale, display, merchandising, promotion, pricing or advertising, in any manner, of any manufacturer's products.

C. As used in this section:

1. "Manufacturer" means a cigarette manufacturer or importer, directly or through its agent, representative, broker or any other person or entity, who directly or indirectly offers to supply, sell or deliver cigarettes or cigarette advertising, merchandising or promotions to a cigarette retailer;

2. "Cigarette category space" means the portion of space in a store or on the premises as reserved, made available or identified by a retailer for the display of products, signs, advertising, promotion or other communications relating to cigarettes;

3. "Promotion" means any program or means by which:

- a. the effective price paid by a purchaser of cigarettes is reduced from the regular price charged by the retailer when a manufacturer's promotion is not in effect or applicable, or

b. additional cigarettes or other items are offered to the consumer in connection with the purchase of cigarettes; and

4. "Cigarette retailer" means "retailer," as defined in Section 301 of Title 68 of the Oklahoma Statutes.

SECTION 2. This act shall become effective November 1, 2002.

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