

## HOUSE BILL No. 2826

By Committee on Federal and State Affairs

2-11

---

AN ACT concerning cigarette retailers; relating to contracts with suppliers; prohibiting certain terms thereof.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. (a) As used in this section:

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

(2) "Cigarette retailer" means a retail dealer, as defined in K.S.A. 79-3301, and amendments thereto.

(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 supplier'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.

(4) "Supplier" means a cigarette manufacturer or importer, directly or through its agent, representative, broker, distributor or 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.

(b) A cigarette retailer shall have the right to contract or agree with a supplier to:

(1) Obtain, participate in and receive payments from a supplier pursuant to a supplier's cigarette merchandising, advertising, display or promotion programs, whether permanent or temporary;

(2) be compensated by the supplier for providing space for the merchandising, advertising, display or promotion of a supplier's products; or

(3) purchase cigarettes.

(c) A contract or agreement described in subsection (b) 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 (i) space available for product display, signage or advertising or (ii) cigarette category space, to a supplier for any purpose; or (B) a determined amount of such space, whether expressed

1 in footage, product facings or other forms of stated measurement, to a  
2 supplier in order to receive, participate in or receive payment under a  
3 supplier's promotions; or

4 (2) restrict or limit: (A) A retailer's cigarette category space; (B) a  
5 retailer's conduct of or participation in any promotion; or (C) a retailer's  
6 conduct of or participation in any program or activity concerning the sale,  
7 display, merchandising, promotion, pricing or advertising, in any manner,  
8 of another supplier's products.

9 Sec. 2. This act shall take effect and be in force from and after its  
10 publication in the statute book.

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43