

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

SENATE BILL 551

5 By: Senator M. Johnson
6 By: Representative Dalby
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE UNFAIR CIGARETTE SALES ACT; AND
10 FOR OTHER PURPOSES.
11

Subtitle

12 TO AMEND THE UNFAIR CIGARETTE SALES ACT.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 4-75-702(5)(A), concerning the definition
20 of "cost to wholesaler" in the Unfair Cigarette Sales Act, is amended to read
21 as follows:

22 (5)(A) "Cost to the wholesaler" means the basic cost of the
23 cigarettes involved to the wholesaler plus the cost of doing business by the
24 wholesaler as evidenced by the standards and methods of accounting regularly
25 employed by him or her in his or her allocation of overhead costs and
26 expenses, and ~~must~~ shall include, without limitation, labor costs, including
27 salaries of executives and officers, rent, depreciation, selling costs,
28 maintenance of equipment, delivery costs, all types of licenses, taxes,
29 insurance, and advertising.
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31 SECTION 2. Arkansas Code § 4-75-708(b) and (c), concerning the use of
32 rebates in the sale of cigarettes to impact competition under the Unfair
33 Cigarette Sales Act, are amended to read as follows:

34 (b)(1) It ~~shall be~~ is unlawful for any wholesaler, retailer, or
35 salesperson to offer a rebate in price, to give a rebate in price, to offer a
36 concession of any kind, or to give a concession of any kind or nature



1 whatsoever in connection with the sale of cigarettes with intent to injure
2 competitors or destroy or substantially lessen competition.

3 (2) However, it is not unlawful under this section for a
4 wholesaler to give a rebate if the rebate does not result in a sale at less
5 than the cost to the wholesaler according to § 4-75-702(5)(A), less
6 discounts, rebates, and incentives that are received by the wholesaler from
7 the manufacturer.

8 (c) It shall be unlawful for any retail dealer to induce or attempt to
9 induce or to procure or attempt to procure+

10 ~~(1) The~~ the purchase of cigarettes at a price less than cost to
11 the wholesaler; ~~or~~

12 ~~(2) Any rebate or concession of any kind in connection with the~~
13 ~~purchase of cigarettes.~~

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