

By: Senator(s) Pickering

To: Finance

SENATE BILL NO. 2989

1 AN ACT TO PROHIBIT TOBACCO MANUFACTURERS, DISTRIBUTORS OR
 2 WHOLESALERS FROM MAKING ANY LOAN OR EXTENSION OF CREDIT, OR
 3 FURNISHING ANY FIXTURES OF ANY KIND, EXCEPT POINT OF SALE
 4 DISPLAYS, TO ANY RETAILER; TO PROHIBIT TOBACCO MANUFACTURERS,
 5 DISTRIBUTORS OR WHOLESALERS FROM HAVING ANY INTEREST IN THE
 6 BUSINESS OF OR IN THE FURNISHINGS OR FIXTURES, EXCEPT POINT OF
 7 SALE DISPLAYS, OR IN THE PREMISES USED BY ANY SUCH RETAILER; TO
 8 PROHIBIT TOBACCO MANUFACTURERS, DISTRIBUTORS OR WHOLESALERS FROM
 9 HAVING ANY LIEN ON ANY SUCH PROPERTY; TO PROHIBIT TOBACCO
 10 MANUFACTURERS, DISTRIBUTORS OR WHOLESALERS FROM SELLING TOBACCO TO
 11 RETAILERS ON CREDIT; TO PROHIBIT TOBACCO MANUFACTURERS FROM ACTING
 12 AS WHOLESALERS OR DISTRIBUTORS; TO PROHIBIT TOBACCO MANUFACTURERS
 13 AND THEIR EMPLOYEES FROM HAVING CERTAIN INTERESTS IN THE BUSINESS
 14 OF A WHOLESALER OR DISTRIBUTOR; AND FOR RELATED PURPOSES.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

16 **SECTION 1.** (1) No manufacturer, distributor or wholesaler
 17 to whom or to which this chapter applies shall:

18 (a) Make any loan or extension of credit, directly or
 19 indirectly, or furnish any fixtures of any kind, except point of
 20 sale displays, directly or indirectly, to any retailer;

21 (b) Have any interest, direct or indirect, in the
 22 business of or in the furnishings or fixtures, except point of
 23 sale displays, or in the premises used by any such retailer in
 24 connection with his or its business;

25 (c) Have any lien on any such property of any such
 26 retailer; or

27 (d) Sell tobacco to any such retailer on credit.

28 (2) No tobacco manufacturer shall act as a wholesaler or
 29 distributor.

30 (3) (a) The provisions of paragraph (b) of this subsection
 31 apply to the following entities:

32 (i) Any entity engaged in tobacco manufacturing;

33 (ii) An officer, director, agent or employee of an
34 entity engaged in tobacco manufacturing;

35 (iii) An affiliate of an entity engaged in tobacco
36 manufacturing, regardless of whether the affiliation is corporate
37 or by management, direction or control.

38 (b) No entity named in paragraph (a) of this subsection
39 may have any interest in the license, business, assets or
40 corporate stock of a wholesaler or distributor to whom this
41 chapter applies, except a security interest granted to the entity
42 of the type provided for the Uniform Commercial Code in products
43 sold to a wholesaler or distributor until the full purchase price
44 has been paid therefor.

45 **SECTION 2.** The provisions of Section 1 of this act shall be
46 codified in Chapter 69 of Title 27, Mississippi Code of 1972.

47 **SECTION 3.** This act shall take effect and be in force from
48 and after July 1, 2007.