

CHAPTER 325D

RESTRAINT OF TRADE

325D.32 Definitions.

325D.405 Investigations.

325D.32 DEFINITIONS.

[For text of subs 1 to 9, see M.S.1990]

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) In the absence of proof of a lesser or higher cost, the cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost. A manufacturer's timely payment and stamping discounts and any other discounts or rebates shall not be deducted in determining the cost of doing business by the wholesaler, whether it is determined under the percentage formula set forth in this paragraph or proof of actual cost.

(c) A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.

[For text of subd 11, see M.S.1990]

History: 1991 c 291 art 9 s 43

325D.405 INVESTIGATIONS.

The commissioner or duly authorized agents may conduct investigations to determine compliance with the provisions of sections 325D.30 to 325D.42 and, in connection with such investigations, the commissioner and duly authorized agents have all the powers conferred upon the commissioner by section 270.06.

History: 1991 c 291 art 9 s 44