

REFERENCE TITLE: pricing; covered goods; requirements.

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1226

Introduced by
Senator Fernandez

AN ACT

AMENDING TITLE 44, CHAPTER 9, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 27; RELATING TO TRADE PRACTICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 44, chapter 9, Arizona Revised Statutes, is
3 amended by adding article 27, to read:

4 ARTICLE 27. PRICING OF COVERED GOODS

5 44-1383. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "ACTUAL DAMAGES" MEANS THE DIFFERENCE IN THE PRICE PAID BY A
8 COVERED RETAILER OR A COVERED WHOLESALER AS A RESULT OF A VIOLATION OF
9 THIS ARTICLE.

10 2. "CHANNELS OF TRADE" MEANS ANY DISTINCT AND DIVERSE PATHWAY
11 THROUGH WHICH COVERED GOODS ARE MARKETED, DISTRIBUTED AND SOLD TO
12 CONSUMERS IN THE UNITED STATES, INCLUDING ANY OF THE FOLLOWING:

13 (a) TRADITIONAL SUPERMARKETS.

14 (b) HYPERMARKETS.

15 (c) DISCOUNT STORES.

16 (d) CONVENIENCE STORES.

17 (e) ONLINE OR E-COMMERCE RETAILERS.

18 (f) SPECIALTY FOOD STORES.

19 (g) MASS MERCHANDISERS.

20 (h) WHOLESALE CLUBS.

21 (i) ANY OTHER RETAIL ESTABLISHMENT, PLATFORM OR ENTITY THAT ENGAGES
22 IN THE SALE OF COVERED GOODS.

23 3. "COVERED GOODS":

24 (a) MEANS EITHER OF THE FOLLOWING:

25 (i) ANY FOOD OR FOOD PRODUCTS FOR HOME PREPARATION AND CONSUMPTION.

26 (ii) SEEDS OR PLANTS FOR HOUSEHOLD GARDEN USE TO PRODUCE FOOD FOR
27 PERSONAL CONSUMPTION.

28 (b) DOES NOT INCLUDE ANY OF THE FOLLOWING:

29 (i) GASOLINE.

30 (ii) PRESCRIPTION DRUGS.

31 (iii) TOBACCO PRODUCTS.

32 (iv) ALCOHOLIC BEVERAGES.

33 4. "COVERED RETAILER" MEANS A PERSON THAT SELLS COVERED GOODS TO AN
34 END PURCHASER AT ONE OR MORE PHYSICAL LOCATIONS IN THIS STATE.

35 5. "COVERED SUPPLIER" MEANS A PERSON THAT:

36 (a) PRODUCES AND SELLS COVERED GOODS IN THIS STATE.

37 (b) SELLS, DIRECTLY OR THROUGH A PERSON'S AGENT OR ANY THIRD PARTY,
38 COVERED GOODS THAT ARE PRODUCED OR MANUFACTURED BY THE PERSON TO COVERED
39 RETAILERS OR COVERED WHOLESALERS IN AN AGGREGATE AMOUNT THAT EXCEEDS
40 \$6,000,000,000 PER YEAR, WHICH IS ADJUSTED EACH YEAR BY AN AMOUNT THAT IS
41 EQUAL TO A PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN
42 CONSUMERS THAT IS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR,
43 BUREAU OF LABOR STATISTICS.

1 EIGHTY DAYS BEFORE THE PURCHASE WAS MADE. FOR THE PURPOSES OF THIS
2 SUBDIVISION, "ANONYMIZED DATA":

3 (i) MEANS AGGREGATED AND DEIDENTIFIED DATA ABOUT THE SALES
4 TRANSACTIONS.

5 (ii) INCLUDES THE TERMS OF SALE FOR EACH TRANSACTION.

6 (iii) DOES NOT INCLUDE A CONSUMER'S PERSONALLY IDENTIFIABLE
7 INFORMATION.

8 2. MAY NOT REFUSE TO SELL COVERED GOODS TO A COVERED RETAILER OR
9 COVERED WHOLESALER IF:

10 (a) THE COVERED SUPPLIER OR THE COVERED SUPPLIER'S AGENT CHARGES A
11 DIFFERENT PRICE TO A COVERED RETAILER OR COVERED WHOLESALER BASED ON THE
12 CHANNELS OF TRADE OR FOR ANY OTHER SIMILAR REASON THAT IS IN VIOLATION OF
13 THIS ARTICLE. FOR THE PURPOSES OF THIS SUBDIVISION, "DIFFERENT PRICE"
14 MEANS A DIFFERENCE IN PRICE THAT IS BASED ON EITHER OF THE FOLLOWING
15 CALCULATIONS:

16 (i) THE ACTUAL DIFFERENCE IN PRICE BASED ON THE QUANTITY SOLD TO A
17 COVERED RETAILER OR COVERED WHOLESALER.

18 (ii) THE PRICE DIFFERENCE IN PRICE BASED ON THE TERMS OF SALE OF A
19 PRODUCT AND IS ADJUSTED FOR DIFFERENCE IN PAYMENT SCHEDULES OR CREDIT
20 TERMS BY APPLYING A TIME VALUE OF MONEY CALCULATION AND IS THEN MULTIPLIED
21 BY THE QUANTITY SOLD.

22 (b) THE COVERED RETAILER IS NOT A DOMINANT COVERED RETAILER.

23 (c) THE COVERED RETAILER OR COVERED WHOLESALER HAS MADE PAYMENTS ON
24 OR HAS COMPLETED PAYMENT TO THE COVERED SUPPLIER OR THE COVERED SUPPLIER'S
25 AGENT WITHIN THE PREVIOUS TWELVE MONTHS.

26 (d) THE COVERED RETAILER OR COVERED WHOLESALER MADE A REQUEST TO
27 THE COVERED SUPPLIER TO PROVIDE TO SAME TERMS OF SALE TO OTHER COVERED
28 RETAILERS OR COVERED WHOLESALERS.

29 (e) SELLING COVERED GOODS THAT HAVE NO COMMERCIALY REASONABLE
30 JUSTIFICATION.

31 B. A DOMINANT COVERED RETAILER OR THE DOMINANT COVERED RETAILER'S
32 PURCHASING AGENT MAY NOT IMPOSE OR REQUIRE TERMS OF SALE ON A COVERED
33 SUPPLIER IF THE DOMINANT COVERED RETAILER KNOWS OR REASONABLY SHOULD KNOW
34 THAT:

35 1. THE DOMINANT COVERED RETAILER OR THE DOMINANT COVERED RETAILER'S
36 PURCHASING AGENT WILL ACQUIRE MORE OF THE COVERED GOODS THAN THE DOMINANT
37 COVERED RETAILER CAN SELL BETWEEN THE REGULAR PURCHASE INTERVALS.

38 2. THE DOMINANT COVERED RETAILER WILL OR INTENDS TO COERCE OR
39 INDUCE A COVERED SUPPLIER TO VIOLATE THIS ARTICLE.

40 C. A PERSON IS NOT LIABLE FOR A VIOLATION OF THIS ARTICLE IF THE
41 PERSON CAN SHOW BY A PREPONDERANCE OF THE EVIDENCE THAT:

42 1. ANY DIFFERENCE IN THE TERMS OF SALE WAS PREDOMINANTLY
43 ATTRIBUTABLE TO A COVERED RETAILER THAT ENGAGED IN SELF-DISTRIBUTION OF
44 THE COVERED GOODS OR LOWERED THE OVERALL COSTS THROUGH EFFICIENCIES IN
45 DISTRIBUTION OR MANUFACTURING.

1 2. A COVERED RETAILER VOLUNTARILY ACCEPTED THE TERMS OF SALE FOR
2 COVERED GOODS THAT WERE NOT THE SAME TERMS OF SALE FOR ANOTHER COVERED
3 RETAILER IN EXCHANGE FOR CONSIDERATION. FOR THE PURPOSES OF THIS
4 PARAGRAPH, "VOLUNTARILY ACCEPTED" MEANS ACCEPTANCE THAT WAS NOT DONE UNDER
5 COERCION OR DURESS OR AS A PRETEXT.

6 3. THE TERMS OF SALE APPLIED ONLY TO CASES IN WHICH THERE:
7 (a) WAS AN ACTUAL OR IMMINENT DETERIORATION OF PERISHABLE COVERED
8 GOODS.

9 (b) WAS AN OBSOLESCENCE OF SEASONAL COVERED GOODS.

10 (c) WERE DISTRESS SALES UNDER A COURT PROCESS.

11 (d) WERE SALES MADE IN GOOD FAITH IF A BUSINESS WAS CLOSING OR THE
12 COVERED GOODS WERE DISCONTINUED.

13 D. A COVERED SUPPLIER IS NOT LIABLE FOR A VIOLATION OF THIS ARTICLE
14 IF THE COVERED SUPPLIER CAN SHOW BY A PREPONDERANCE OF THE EVIDENCE THAT:

15 1. THE VIOLATION WAS IMPOSED ON OR REQUIRED OF THE COVERED SUPPLIER
16 BY A DOMINANT COVERED RETAILER.

17 2. THE COVERED SUPPLIER WOULD HAVE SUFFERED SUBSTANTIAL HARM TO ITS
18 BUSINESS IF IT REFUSED THE DEMAND OF THE DOMINANT COVERED RETAILER.

19 3. THE COVERED SUPPLIER MADE A GOOD FAITH EFFORT TO DISCLOSE THE
20 DOMINANT COVERED RETAILER'S CONDUCT TO THE ATTORNEY GENERAL.

21 E. AN ACT OR PRACTICE IN VIOLATION OF THIS ARTICLE CONSTITUTES AN
22 UNLAWFUL PRACTICE UNDER SECTION 44-1522. THE ATTORNEY GENERAL MAY
23 INVESTIGATE AND TAKE APPROPRIATE ACTION PURSUANT TO CHAPTER 10, ARTICLE 7
24 OF THIS TITLE.

25 F. THE ATTORNEY GENERAL OR A PERSON INJURED BY A VIOLATION OF THIS
26 ARTICLE MAY FILE SUIT TO:

27 1. OBTAIN AN INJUNCTION TO CURE A VIOLATION OF THIS SECTION.

28 2. OBTAIN A CIVIL PENALTY IN THE AMOUNT OF NOT MORE THAN THREE
29 TIMES THE ACTUAL DAMAGES.

30 Sec. 2. Short title

31 Title 44, chapter 9, article 27, Arizona Revised Statutes, as added
32 by this act, may be cited as the "Consumer Grocery Pricing Fairness Act".