REFERENCE TITLE: tobacco; alternative nicotine; vapor products

State of Arizona House of Representatives Fifty-sixth Legislature First Regular Session 2023

### **HB 2630**

Introduced by Representative Payne

#### AN ACT

AMENDING SECTIONS 13-3622, 36-798, 36-798.01, 36-798.02, 36-798.03 AND 36-798.05, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 6, ARTICLE 14, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-798.07 AND 36-798.08; AMENDING SECTION 42-3001, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 3, ARTICLE 10, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-3407; RELATING TO PUBLIC HEALTH CONTROL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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 Be it enacted by the Legislature of the State of Arizona: Section 1. Section 13-3622, Arizona Revised Statutes, is amended to read:

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13-3622. Underage persons; tobacco products, alternative nicotine products, vapor products, tobacco products and paraphernalia; prohibitions; classification; definitions
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- A. A person who knowingly sells, gives or furnishes a tobacco product, AN ALTERNATIVE NICOTINE PRODUCT, a vapor product or any instrument or paraphernalia that is solely designed for the smoking or ingestion of INGESTING tobacco PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS, VAPOR PRODUCTS or shisha, including a hookah or waterpipe, to a minor PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE is guilty of a petty offense AND, NOTWITHSTANDING SECTION 13-802, SHALL PAY A FINE OF \$1,000 FOR A FIRST OFFENSE AND A FINE OF AT LEAST \$1,000 AND NOT MORE THAN \$2,500 FOR ANY SUBSEQUENT OFFENSE.
- B. A minor PERSON UNDER TWENTY-ONE YEARS OF AGE who buys, or has in his THE PERSON'S possession or knowingly accepts or receives from any person, a tobacco product, AN ALTERNATIVE NICOTINE PRODUCT, a vapor product or any instrument or paraphernalia that is solely designed for the smoking or ingestion of INGESTING tobacco PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS, VAPOR PRODUCTS or shisha, including a hookah or waterpipe, is guilty of a petty offense, and if the offense involves any instrument or paraphernalia that is solely designed for the smoking or ingestion of INGESTING tobacco PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS, VAPOR PRODUCTS or shisha, shall pay a fine of not less than one hundred dollars AT LEAST \$100 or perform not less than AT LEAST thirty hours of community restitution.
- C. A minor PERSON UNDER TWENTY-ONE YEARS OF AGE who misrepresents the minor's PERSON'S age to any ANOTHER person by means of a written instrument of identification with the intent to induce the person to sell, give or furnish a tobacco product, AN ALTERNATIVE NICOTINE PRODUCT, a vapor product or any instrument or paraphernalia that is solely designed for the smoking or ingestion of INGESTING tobacco PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS, VAPOR PRODUCTS or shisha, including a hookah or waterpipe, in violation of subsection A or B of this section is guilty of a petty offense and, notwithstanding section 13-802, shall pay a fine of not more than five hundred dollars \$500.
  - D. This section does not apply to any of the following:
- 1. Cigars, cigarettes or cigarette papers, smoking or chewing tobacco or any instrument or paraphernalia that is solely designed for the smoking or ingestion of INGESTING tobacco or shisha, including a hookah or waterpipe, if it is used or intended to be used in connection with a bona fide practice of a religious belief and as an integral part of a religious or ceremonial exercise.

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- 2. Any instrument or paraphernalia that is solely designed for the smoking or ingestion of INGESTING tobacco PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS, VAPOR PRODUCTS or shisha, including a hookah or waterpipe, that is given to or possessed by a minor PERSON UNDER TWENTY-ONE YEARS OF AGE if the instrument or paraphernalia was a gift or souvenir and is not used or intended to be used by the minor PERSON UNDER TWENTY-ONE YEARS OF AGE to smoke or ingest tobacco or shisha.
  - E. For the purposes of this section:
  - 1. "ALTERNATIVE NICOTINE PRODUCT":
- (a) MEANS ANY NONCOMBUSTIBLE PRODUCT THAT CONTAINS NICOTINE FROM ANY SOURCE AND THAT IS INTENDED FOR HUMAN CONSUMPTION, WHETHER CHEWED, ABSORBED, DISSOLVED, INGESTED OR CONSUMED BY ANY OTHER MEANS.
- (b) DOES NOT INCLUDE ANY TOBACCO PRODUCT, VAPOR PRODUCT OR SHISHA OR ANY PRODUCT REGULATED AS A DRUG OR DEVICE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION UNDER CHAPTER V OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.
- 1. 2. "Shisha" includes any mixture of tobacco leaf and honey, molasses or dried fruit or any other sweetener.
  - 2. 3. "Tobacco product" means any of the following:
  - (a) Cigars.
  - (b) Cigarettes.
  - (c) Cigarette papers of any kind.
  - (d) Smoking tobacco of any kind.
  - (e) Chewing tobacco of any kind.
  - 3. 4. "Vapor product":
- (a) Means a noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element, battery or circuit, regardless of shape or size, that can be used to heat a liquid nicotine solution contained in cartridges. Vapor product
- (b) Does not include any product that is regulated by the United States food and drug administration under chapter V of the federal food, drug, and cosmetic act.

Sec. 2. <u>Heading change</u>

The article heading of title 36, chapter 6, article 14, Arizona Revised Statutes, is changed from "TOBACCO SALES" to "SALES OF TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS AND VAPER PRODUCTS".

Sec. 3. Section 36-798, Arizona Revised Statutes, is amended to read:

36-798. <u>Definitions</u>

In this article, unless the context otherwise requires:

1. "ALTERNATIVE NICOTINE PRODUCT" HAS THE SAME MEANING PRESCRIBED IN SECTION 13-3622.

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- $\frac{1.}{1.0}$  2. "Bar" means that portion of any premises licensed under section 4-209, subsection B, paragraph 6, 7, 11, 12 or 14 that is primarily used for the selling, consumption CONSUMING or serving of alcoholic beverages and that is not primarily used for the consumption of CONSUMING food on the premises.
- 2. 3. "Beedies" or "bidis" means a product containing tobacco that is wrapped in temburni leaf (diospyros melanoxylon) or tendu leaf (diospyros exculpra), or any other product that is offered to, or purchased by, consumers as beedies or bidis.
- 3. 4. "Cigar" means a roll of tobacco or any lawful substitute for tobacco that is wrapped in tobacco.
- 4. 5. "Cigarette" means a roll of tobacco or any lawful substitute for tobacco that is wrapped in paper or in any substance other than tobacco.
  - 5. "Minor" means a person who is under eighteen years of age.
- 6. "Retail tobacco vendor" means a person who OR ENTITY THAT possesses tobacco or tobacco products, ALTERNATIVE NICOTINE PRODUCTS, VAPOR PRODUCTS OR SHISHA for the purpose of selling them TO THE CONSUMER for consumption and not for resale.
- 7. "Smokeless tobacco" includes shredded tobacco, snuff, cavendish and plug, twist and other tobacco products that are intended for oral use but not for smoking.
- 8. "Smoking tobacco" includes any tobacco or tobacco product, other than cigarettes and cigars, that is intended to be smoked.
- 9. "Tobacco products" includes cigarettes, cigarette papers, cigars, smokeless tobacco and smoking tobacco.
- 10. "VAPOR PRODUCT" HAS THE SAME MEANING PRESCRIBED IN SECTION 13-3622.
- 10. 11. "Vending machine" means any mechanical, electrical or electronic device that, on insertion of money, tokens or any other form of payment, automatically dispenses tobacco products.
- Sec. 4. Section 36-798.01, Arizona Revised Statutes, is amended to read:

# 36-798.01. <u>Selling or giving beedies or bidis; underage</u> persons; violation; classification

- A. It is unlawful for a retail tobacco vendor to sell, furnish, give or provide beedies or bidis to a  $\frac{1}{2}$  PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE in this state.
- B. Any person who violates this section is guilty of a class 3 misdemeanor AND, NOTWITHSTANDING SECTION 13-802, SHALL PAY A FINE OF \$1,000 FOR A FIRST OFFENSE AND A FINE OF AT LEAST \$1,000 AND NOT MORE THAN \$2,500 FOR A SUBSEQUENT OFFENSE.

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 Sec. 5. Section 36-798.02, Arizona Revised Statutes, is amended to read:

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36-798.02. Tobacco products, alternative nicotine products and vapor products; direct access prohibited; vending machine sales; signage; violation; classification
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- A. A person RETAIL TOBACCO VENDOR IN THIS STATE shall not sell tobacco products, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS BY ANY MEANS OTHER THAN RETAIL TOBACCO VENDOR-ASSISTED SALES IN WHICH THE CUSTOMER HAS NO DIRECT ACCESS TO A PRODUCT EXCEPT THROUGH THE ASSISTANCE OF THE RETAIL TOBACCO VENDOR. A PERSON MAY SELL A TOBACCO PRODUCT, ALTERNATIVE NICOTINE PRODUCT OR VAPOR PRODUCT through a vending machine unless the vending machine THAT is located in either:
  - 1. A bar.
- 2. An employee lounge area that is not open to the public and the business in which the lounge area is located does not employ minors PERSONS UNDER TWENTY-ONE YEARS OF AGE.
- B. A sign measuring at least eighty square inches shall be obviously affixed to the front of each vending machine. The sign shall state in block letters, THAT it is illegal for a minor PERSON UNDER TWENTY-ONE YEARS OF AGE to purchase cigarettes, or tobacco products, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS and, upon ON conviction, a fine of up to three hundred dollars \$300 may be imposed.
- C. This article does not invalidate an ordinance of or prohibit the adoption of an ordinance by a county, city or town to further restrict the location of vending machines or specify different wording for the vending  $\frac{\text{machines}}{\text{machines}}$  MACHINE signs as required by subsection B of this section.
- D. A person who violates this section is guilty of a petty offense AND, NOTWITHSTANDING SECTION 13-802, SHALL PAY A FINE OF \$1,000 FOR A FIRST OFFENSE AND A FINE OF AT LEAST \$1,000 AND NOT MORE THAN \$2,500 FOR A SUBSEQUENT OFFENSE.
- Sec. 6. Section 36-798.03, Arizona Revised Statutes, is amended to read:

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36-798.03. Tobacco products, alternative nicotine products and vapor products; prohibition; schools and school-related areas; violation; classification
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- A. THE USE AND POSSESSION OF tobacco products, ALTERNATIVE NICOTINE PRODUCTS AND VAPOR PRODUCTS are prohibited on school grounds, inside school buildings, in school parking lots or playing fields, in school buses or vehicles or at off-campus school sponsored events. For purposes of this subsection, "school" means any public, charter or private school where children attend classes in kindergarten programs or grades one through twelve.
- B. Subsection A of this section does not apply to an adult who employs tobacco products as a necessary component of a school sanctioned

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tobacco prevention or cessation program established pursuant to section 15-712.

C. B. A person who violates this section is guilty of a petty offense AND, NOTWITHSTANDING SECTION 13-802, SHALL PAY A FINE OF \$500.

Sec. 7. Section 36-798.05, Arizona Revised Statutes, is amended to read:

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36-798.05. Unsolicited delivery of tobacco products, alternative nicotine products and vapor products; violation; classification; civil penalties; definitions
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- A. It is unlawful for a person to deliver or cause to be delivered to any residence in this state any tobacco products, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS THAT ARE unsolicited by at least one adult PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND who resides at that address.
- B. A person who knowingly violates subsection A of this section is guilty of a class 2 misdemeanor.
- C. A person who violates subsection A of this section is subject to a civil penalty in an amount of not to exceed five thousand dollars MORE THAN \$5,000 for each violation. Each delivery of a tobacco product, shall constitute ALTERNATIVE NICOTINE PRODUCT OR VAPOR PRODUCT CONSTITUTES a separate violation.
- D. The attorney general may bring an action to recover civil penalties and, as determined by the court, taxable costs, such other fees and expenses reasonably incurred and reasonable attorney fees, in the name of the state for a violation of this section. All civil penalties recovered shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund and all other monies recovered shall be deposited, pursuant to sections 35-146 and 35-147, in the antitrust enforcement revolving fund established by section 41-191.02.
- E. In FOR THE PURPOSES OF this section, unless the context otherwise requires:
  - 1. "Knowingly" has the same meaning prescribed in section 13-105.
- 2. "Person" means an individual, partnership, firm, association, corporation, limited liability company, limited liability partnership, joint venture, or other entity, other than an individual or entity engaged in the delivery of items for hire.
- Sec. 8. Title 36, chapter 6, article 14, Arizona Revised Statutes, is amended by adding sections 36-798.07 and 36-798.08, to read:

36-798.07. Retail sales; requirements

A. A RETAIL TOBACCO VENDOR MAY NOT SELL, OFFER TO SELL, FURNISH OR GIVE TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS UNLESS THE RETAIL TOBACCO VENDOR PROMINENTLY DISPLAYS A SIGN THAT READS AS FOLLOWS: "IT IS ILLEGAL FOR A PERSON UNDER 21 YEARS OF AGE TO PURCHASE

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CIGARETTES, TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS AND, ON CONVICTION, A FINE OF UP TO \$300 MAY BE IMPOSED."

- B. IF A PERSON REASONABLY APPEARS TO BE UNDER THIRTY YEARS OF AGE, A RETAIL TOBACCO VENDOR MAY NOT SELL, OFFER TO SELL, FURNISH OR GIVE TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS TO THE PERSON WITHOUT FIRST EXAMINING THE PERSON'S GOVERNMENT-ISSUED PHOTOGRAPHIC IDENTIFICATION TO ESTABLISH THAT THE PERSON IS AT LEAST TWENTY-ONE YEARS OF AGE.
- C. A RETAIL TOBACCO VENDOR MAY NOT SELL, OFFER TO SELL, FURNISH OR GIVE TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS EXCEPT IN THE MANUFACTURER'S ORIGINAL PACKAGING AND MAY NOT OPEN PACKAGING AND SELL A PORTION OF THE TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS CONTAINED IN SUCH PACKAGING.
- D. A PERSON WHO VIOLATES SUBSECTION B OR C OF THIS SECTION IS GUILTY OF A PETTY OFFENSE AND, NOTWITHSTANDING SECTION 13-802, SHALL PAY A FINE OF \$500 FOR A FIRST OFFENSE AND A FINE OF AT LEAST \$1,000 AND NOT MORE THAN \$2,500 FOR A SUBSEQUENT OFFENSE.

# 36-798.08. <u>Tobacco products</u>, <u>alternative nicotine products</u> and <u>vapor products</u>; <u>state preemption</u>

- A. THE SALE AND MARKETING OF TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS AND VAPOR PRODUCTS ARE OF STATEWIDE CONCERN. THE REGULATION OF THE SALE AND MARKETING OF TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS AND VAPOR PRODUCTS PURSUANT TO THIS ARTICLE IS NOT SUBJECT TO FURTHER REGULATION BY A COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THIS STATE AND PREEMPTS ALL INCONSISTENT LAWS, RULES, REGULATIONS, CODES, ORDINANCES, POLICIES AND OTHER LAWS ADOPTED BY A COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THIS STATE.
- B. THIS SECTION DOES NOT LIMIT A POLITICAL SUBDIVISION'S AUTHORITY UNDER SECTION 36-601.01.
- Sec. 9. Section 42-3001, Arizona Revised Statutes, is amended to read:

#### 42-3001. <u>Definitions</u>

In this chapter, unless the context otherwise requires:

- 1. "Affix" and "affixed" include imprinting tax meter stamps on packages and individual containers as authorized by the department.
- 2. "ALTERNATIVE NICOTINE PRODUCT" HAS THE SAME MEANING PRESCRIBED IN SECTION 36-798.
- $\frac{2}{3}$ . "Brand family" has the same meaning prescribed in section 44-7111.
- 3. 4. "Cavendish" means a tobacco product that is smoked from a pipe and that meets one of the following criteria:
- (a) Is described as cavendish, as containing cavendish or as a cavendish blend on its packaging, labeling or promotional materials.

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- (b) Appears to have been processed or manufactured with an amount of flavorings and humectants that exceeds twenty percent of the weight of the tobacco contained in the product.
- (c) Appears to be blended with or contain a tobacco product described in subdivision (b) of this paragraph.
- 4. 5. "Cider" means vinous liquor that is made from the normal alcoholic fermentation of the juice of sound, ripe apples, pears or other pome fruit, including flavored, sparkling and carbonated cider and cider made from condensed apple, pear or other pome fruit must, and that contains more than one-half of one percent of alcohol by volume but not more than seven percent of alcohol by volume.
- 5. 6. "Cigar" means any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco other than any roll of tobacco that is a cigarette, as defined in paragraph 6, subdivision (b) of this section.
  - 6. 7. "Cigarette" means either of the following:
- (a) Any roll of tobacco wrapped in paper or any substance not containing tobacco.
- (b) Any roll of tobacco wrapped in any substance containing tobacco that, because of its appearance, the type of tobacco used in the filler or its packaging and labeling, is likely to be offered to or purchased by a consumer as a cigarette described in subdivision (a) of this paragraph. This subdivision shall be interpreted consistently with the classification guidelines established by the federal alcohol and tobacco tax and trade bureau.
- 7. 8. "Consumer" means a person in this state that comes into possession of any luxury subject to the tax imposed by this chapter and that, on coming into possession of the luxury, is not a distributor intending to sell or distribute the luxury, a retailer or a wholesaler.
- 8. 9. "Craft distiller" means a distiller in the United States or in a territory or possession of the United States that holds a license pursuant to section 4-205.10.
- 9. 10. "Distributor" means any person that manufactures, produces, ships, transports or imports into this state or in any manner acquires or possesses for the purpose of making the first sale of the following:
- (a) Cigarettes without Arizona tax stamps affixed as required by this article.
- (b) Roll-your-own tobacco or other tobacco products on which the taxes have not been paid as required by this chapter.
- $\frac{10.}{11.}$  "Farm winery" has the same meaning prescribed in section 4-101.
- 11. 12. "First sale" means the initial sale or distribution in intrastate commerce or the initial use or consumption of cigarettes, roll-your-own tobacco or other tobacco products.
- $\frac{12}{12}$ . "Luxury" means any article, object or device on which a tax is imposed under this chapter.

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13. 14. "Malt liquor" means any liquid that contains more than one-half of one percent alcohol by volume and that is made by the process of fermentation and not distillation of hops or grains, but not including:
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- (a) Liquids made by the process of distillation of such substances.
- (b) Medicines that are unsuitable for beverage purposes.
- $\frac{14.}{15.}$  "Master settlement agreement" has the same meaning prescribed in section 44-7101.
- $\frac{15.}{16.}$  "Microbrewery" has the same meaning prescribed in section 4-101.
- $\frac{16.}{17.}$  "Nonparticipating manufacturer" has the same meaning prescribed in section 44-7111.
- 17. 18. "Other tobacco products" means tobacco products other than cigarettes and roll-your-own tobacco.
- $\frac{18.}{19.}$  "Participating manufacturer" has the same meaning prescribed in section 44-7111.
- 19. 20. "Person" means any individual, firm, partnership, joint venture, association, corporation, municipal corporation, estate, trust, club, society or other group or combination acting as a unit, and the plural as well as the singular number.
- 20. 21. "Place of business" means a building, facility site or location where an order is received or where tobacco products are sold, distributed or transferred. Place of business does not include a vehicle.
- 21. 22. "Retailer" means any person that comes into possession of any luxury subject to the taxes imposed by this chapter for the purpose of selling it for consumption and not for resale.
- 22. 23. "Roll-your-own tobacco" means any tobacco that, because of its appearance, type, packaging or labeling, is suitable for use and likely to be offered to or purchased by consumers as tobacco for making cigarettes. This paragraph shall be interpreted consistently with the term as used in section 44-7101. This paragraph shall be interpreted consistently with the classification guidelines established by the federal alcohol and tobacco tax and trade bureau.
- 23. 24. "Smoking tobacco" means any tobacco that, because of its appearance, type, packaging, labeling or promotion, is suitable for use and likely to be offered to or purchased by consumers as tobacco for making cigarettes or otherwise consumed by burning. Smoking tobacco includes pipe tobacco and roll-your-own tobacco.
- 24. 25. "Spirituous liquor" means any liquid that contains more than one-half of one percent alcohol by volume, that is produced by distillation of any fermented substance and that is used or prepared for use as a beverage. Spirituous liquor does not include medicines that are unsuitable for beverage purposes.
- $\frac{25.}{26.}$  "Tobacco product manufacturer" has the same meaning prescribed in section 44-7101.

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26. 27. "Tobacco products" means all luxuries included in section 42-3052, paragraphs 5 through 9.
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- 28. "VAPOR PRODUCT" HAS THE SAME MEANING PRESCRIBED IN SECTION 36-798.
- $\frac{27}{100}$ . "Vehicle" means a device in, on or by which a person or property is or may be transported or drawn on the roads of this state regardless of the means by which it is propelled or whether it runs on a track.
- 28. 30. "Vinous liquor" means any liquid that contains more than one-half of one percent alcohol by volume and that is made by the process of fermentation of grapes, berries, fruits, vegetables or other substances but does not include:
- (a) Liquids in which hops or grains are used in the process of fermentation.
  - (b) Liquids made by the process of distillation of hops or grains.
  - (c) Medicines that are unsuitable for beverage purposes.
- $\frac{29}{1}$ . "Wholesaler" means a person that sells any spirituous, vinous or malt liquor taxed under this chapter to retail dealers or for the purposes of resale only.
- Sec. 10. Title 42, chapter 3, article 10, Arizona Revised Statutes, is amended by adding section 42-3407, to read:
  - 42-3407. Retailers of tobacco products, alternative nicotine products and vapor products; registration; fee: violation; classification; rules
- A. EVERY RETAILER THAT SELLS OR OFFERS TO SELL TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS TO CONSUMERS IN THIS STATE MUST REGISTER EACH RETAIL LOCATION OF THE RETAILER WITH THE DEPARTMENT ON A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT.
- B. THE REGISTRATION SHALL BE ACCOMPANIED BY A FEE, WHICH SHALL BE CHARGED ANNUALLY FOR EACH RETAIL LOCATION, IN AN AMOUNT TO BE DETERMINED BY THE DIRECTOR.
- C. BEGINNING JANUARY 1, 2024, A RETAILER MAY NOT SELL TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS OR VAPOR PRODUCTS IN THIS STATE UNLESS THE RETAILER HAS REGISTERED WITH THE DEPARTMENT, HAS PAID ALL APPLICABLE FEES AND IS IN COMPLIANCE WITH ALL RULES ADOPTED BY THE DEPARTMENT PURSUANT TO THIS CHAPTER.
- D. THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE THE NAMES OF EACH RETAILER THAT IS REGISTERED UNDER SUBSECTION A OF THIS SECTION. THE DEPARTMENT SHALL UPDATE THE PUBLISHED NAMES AS NEEDED AND AT LEAST ONCE EACH MONTH.
- E. ANY PERSON THAT VIOLATES THIS SECTION IS GUILTY OF A PETTY OFFENSE AND, NOTWITHSTANDING SECTION 13-802, SHALL PAY A FINE OF \$1,000 FOR A FIRST OFFENSE AND A FINE OF AT LEAST \$1,000 AND NOT MORE THAN \$2,500 FOR A SUBSEQUENT OFFENSE.

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- F. FEES AND PENALTIES COLLECTED PURSUANT THIS SECTION SHALL BE USED BY THE DEPARTMENT FOR THE PURPOSES OF ADMINISTERING AND ENFORCING THIS SECTION, AND ANY REMAINING MONIES SHALL BE SHARED WITH LOCAL LAW ENFORCEMENT AGENCIES FOR THE PURPOSES OF CONDUCTING RETAILER COMPLIANCE INSPECTIONS, UNDERCOVER INVESTIGATIONS OF RETAILERS AND ACTIVITIES TO IDENTIFY AND INTERCEPT CONTRABAND OR ILLICIT TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS AND VAPOR PRODUCTS.
- G. THE DEPARTMENT SHALL ADOPT RULES PURSUANT TO TITLE 41, CHAPTER 6 TO CARRY OUT THIS SECTION.

Sec. 11. <u>Severability</u>

If a provision of this act or its application to any person or circumstance is held invalid, this invalidity does not affect other provisions of applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 12. Effective date

This act is effective from and after December 31, 2023.

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