2014 -- H 7021 SUBSTITUTE A AS AMENDED

LC003029/SUB A/2

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

AN ACT

RELATING TO CRIMINAL OFFENSES -- SALE OF TOBACCO PRODUCTS TO THOSE **UNDER EIGHTEEN (18)**

Introduced By: Representative Helio Melo

Date Introduced: January 08, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

SECTION 1. Sections 11-9-13, 11-9-13.1, 11-9-13.4, 11-9-13.6, 11-9-13.7, 11-9-13.8, 1

11-9-13.10, 11-9-13.13 and 11-9-14 of the General Laws in Chapter 11-9 entitled "Children" are

3 hereby amended to read as follows:

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11-9-13. Purchase, sale or delivery of tobacco products to persons under eighteen --

5 Posting notice of law. -- No person under eighteen (18) years of age shall purchase, nor shall any

6 person sell, give, or deliver to any person under eighteen (18) years of age, any tobacco in the

7 form of cigarettes, bidi cigarettes, cigars, little cigars, flavored cigars known as "blunts."

unflavored "blunts,", flavored and unflavored blunt wraps, cigarette rolling papers of any size or

9 composition, cigarillos, and tiparillos, pipe tobacco, chewing tobacco, electronic nicotine-delivery

10 systems, or snuff. Any person, firm, or corporation that owns, manages, or operates a place of

business in which tobacco products are sold, including sales through cigarette vending machines,

shall post notice of this law conspicuously in the place of business in letters at least three-eighths

13 of an inch (3/8") high.

11-9-13.1. Cigarette and tobacco vending machines. -- (a) No cigarettes, nor any other 14

15 tobacco product, nor electronic nicotine-delivery system product shall be sold from any device or

16 vending machine which that is in an area not continuously supervised and in direct line of sight of

an authorized person employed by the person, firm, or corporation that owns the business

occupying the premises in which the device or vending machine is located, nor shall any tobacco

product, nor electronic nicotine-delivery system product be sold from any device or vending machine which that is in an area supervised by such an authorized person unless the device or vending machine is equipped with an electronic locking device which that will not allow the device or vending machine to dispense a pack of cigarettes, or any other tobacco product, or electronic nicotine-delivery system product unless it is electronically unlocked from a secured position inaccessible to the public and under the supervision of an authorized person employed by the person, firm, or corporation that owns the business occupying the premises in which the device or vending machine is located. "Direct line of sight" means that the vending machine and the purchaser of cigarettes or electronic nicotine-delivery systems must be visible to the authorized person pressing the unlock button while the unlock button is being activated. Provided, a locking device shall not be required in an establishment licensed to sell alcoholic beverages which that limits access to persons over the age of twenty-one (21) years.

- (b) No cigarettes, nor any other tobacco product, nor electronic nicotine-delivery system product shall be sold from any device or vending machine from which non-tobacco products are sold.
 - (c) No cigarettes shall be sold in packs which that contain less than twenty (20) cigarettes.
 - (d) Any person, firm, or corporation who <u>or that</u> owns a business occupying the premises in which a device or vending machine which that dispenses cigarettes, or any other tobacco product or electronic nicotine-delivery system product is located who <u>or that</u> shall violate any of the provisions of subsections (a) and (b) of this section shall for the first offense be subject to a fine of seventy-five dollars (\$75.00), for the second offense, be subject to a fine of one hundred fifty dollars (\$150), and for the third and any subsequent offense, be subject to a fine of five hundred dollars (\$500); provided, that in the event that there are no offenses in three (3) successive years from the date of the last offense, then the next offense shall be treated as the first offense.
 - (e) Any person, firm, or corporation who or that shall violate subsection (c) of this section shall, for the first offense, be subject to a fine of seventy-five dollars (\$75.00), for the second offense, be subject to a fine of one hundred fifty dollars (\$150), and for the third and any subsequent offense, be subject to a fine of five hundred dollars (\$500); provided, that in the event that there are no offenses in three (3) successive years from the date of the last offense, then the next offense shall be treated as the first offense.
 - (f) One-half (1/2) of all the fines collected pursuant to this section shall be transferred to the municipalities in which the citations originated. One-half (1/2) of all the fines collected

| • | pursuant to this section shair or transferred to the general rand. |
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| 2 | (g) Severability If any provision of this section or the application of it to any person or |
| 3 | circumstance is held invalid, that invalidity shall not affect other provisions or applications of this |
| 4 | section, which can be given effect without the invalid provision or application, and to this end the |
| 5 | provisions of this section are declared to be severable. |
| 6 | 11-9-13.4. Definitions As used in this chapter: |
| 7 | (1) "Bidi cigarette" means any product that (i) contains tobacco that is wrapped in |
| 8 | temburni or tender leaf, or that is wrapped in any other material identified by rules of the |
| 9 | Department of Health that is similar in appearance or characteristics to the temburni or tender |
| .0 | leaf, and (ii) does not contain a smoke filtering device. |
| 1 | (2) "Court" means any appropriate district court of the state of Rhode Island. |
| 2 | (3) "Dealer" is synonymous with the term "retail tobacco products dealer". |
| 3 | (4) "Department of mental health, retardation and hospitals behavioral healthcare |
| .4 | developmental disabilities and hospitals" means the state of Rhode Island mental health |
| .5 | retardation behavioral healthcare, developmental disabilities and hospitals department, its |
| 6 | employees, agents or assigns. |
| .7 | (5) "Department of taxation" means the state of Rhode Island taxation division, its |
| 8 | employees, agents, or assigns. |
| 9 | (6) "License" is synonymous with the term "retail tobacco products dealer license" on |
| 20 | "electronic nicotine-delivery system license." |
| 21 | (7) "License holder" is synonymous with the term "retail tobacco products dealer" on |
| 22 | "electronic nicotine-delivery system license." |
| 23 | (8) "Person" means any individual person, firm, association, or corporation licensed as a |
| 24 | retail dealer to sell tobacco products within the state. |
| 25 | (9) "Retail tobacco products dealer" means the holder of a license to sell tobacco |
| 26 | products at retail. |
| 27 | (10) "Retail tobacco products dealer license" means a license to sell tobacco products at |
| 28 | retail as issued by the department of taxation. |
| 29 | (11) "Spitting tobacco" also means snuff, powdered tobacco, chewing tobacco, dipping |
| 80 | tobacco, pouch tobacco, or smokeless tobacco. |
| 31 | (12) "Tobacco product(s)" means any product containing tobacco, including bid |
| 32 | cigarettes, as defined in subdivision (1) of this section, which that can be used for, but whose use |
| 33 | is not limited to, smoking, sniffing, chewing, or spitting of the product. |
| 84 | (13) "Underage individual" or "underage individuals" means any child under the age of |

| eighteen | (18) | years | of | age. |
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(14) "Little cigars" means and includes any roll, made wholly or in part of tobacco, irrespective of size or shape, and irrespective of whether the tobacco is flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of tobacco wrapped in leaf tobacco or any substance containing tobacco paper or any other material, except where such wrapper is wholly or in greater part made of tobacco and such roll weighs over three (3) pounds per thousand (1,000).

(15) "Electronic nicotine-delivery system" means an electronic device that may be used to simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or electronic hookah and any related device and any cartridge or other component of such device.

11-9-13.6. Duties of the department of mental health, retardation and hospitals
 Duties of the department of behavioral healthcare, developmental disabilities and hospitals.
 The department of mental health, retardation and hospitals behavioral healthcare, developmental disabilities and hospitals shall:

- (1) Coordinate and promote the enforcement of the provisions of this chapter and serve as the primary liaison from this department to other state or local agencies, departments, or divisions on issues pertaining to stopping children's access to tobacco and electronic nicotine-delivery systems.
- (2) Provide retail tobacco products dealers and electronic nicotine-delivery system dealers signs concerning the prohibition of sales to children under eighteen (18) years of age. The signs, conforming to the requirements of this chapter, shall be sold at cost. This sign, or an exact duplicate of it made privately, shall be displayed in all locations where tobacco products and/or electronic nicotine-delivery systems are sold.
 - (3) Investigate concurrently with other state and local officials violations of this chapter.
- (4)(i) Utilize unannounced statewide compliance checks of tobacco product sales <u>and/or</u> <u>electronic nicotine-delivery system sales</u> including retail tobacco <u>and/or electronic nicotine-delivery system</u> over-the-counter sales, mail order sales initiated via mail, facsimile, telephone or internet ordering or other types of electronic communications, and tobacco <u>and/or electronic nicotine-delivery systems</u> vending machine sales as part of investigating compliance with the provisions of this chapter. Underage individuals, acting as agents for the department of <u>mental health</u>, <u>retardation and hospitals</u> <u>behavioral healthcare</u>, <u>developmental disabilities</u> and <u>hospitals</u> and with the written permission of a parent or guardian, may purchase, with impunity from

prosecution, tobacco products <u>and electronic nicotine-delivery system</u> for the purposes of law enforcement or government research involving monitoring compliance with this chapter, provided that the underage individuals are supervised by an adult law enforcement official. Any individual participating in an unannounced compliance check of over-the-counter or vending machine sales, must state his or her accurate age if asked by the sales representative of the retail establishment being checked.

- (ii) In fulfilling the requirement of unannounced statewide compliance checks, the department of mental health, retardation and hospitals behavioral healthcare, developmental disabilities and hospitals shall maintain complete records of the unannounced compliance checks, detailing, at least, the date of the compliance check; the name and address of the retail establishment checked or the mail order company; the results of the compliance check (sale/no sale); whether the sale was made as an over-the-counter sale, a mail_order purchase or a tobacco and/or or electronic nicotine-delivery systems vending machine sale; and if a citation was issued for any violation found. The records shall be subject to public disclosure. Further, the department of mental health, retardation and hospitals behavioral healthcare, developmental disabilities and hospitals shall report to the owner of each retail establishment checked or mail_order company; the results of any compliance check (sale/no sale) whether the sale was made as an over-the-counter sale, a mail_order purchase, or a tobacco and/or electronic nicotine-delivery systems vending machine sale, and if a citation was issued for any violation found.
- (5) Seek enforcement, concurrently with other state and local officials, of the penalties as detailed in this chapter.
- (6) Develop and disseminate community health education information and materials relating to this chapter.
- 11-9-13.7. Signs concerning sales to individuals under age eighteen (18). -- Signs provided by the department of behavioral healthcare, developmental disabilities and hospitals, or an exact duplicate of it made privately, shall: (1) Contain in red bold lettering a minimum of three-eighths (3/8") inch high on a white background the following wording in both English and Spanish:
- THE SALE OF CIGARETTES, AND OTHER TOBACCO AND ELECTRONIC NICOTINE-DELIVERY SYSTEM PRODUCTS TO PERSONS UNDER THE AGE OF 18 IS AGAINST RHODE ISLAND LAW (Section §11-9-13.8(1), Rhode Island Statutes) PHOTO ID FOR PROOF OF AGE IS REQUIRED FOR PURCHASE.
- 33 (2) Contain the phone number at the department of behavioral healthcare, developmental disabilities and hospitals, where violations of sections §§11-9-13.2 -- 11-9-13.19 can be reported,

- in addition to any other information required by the department of behavioral healthcare, developmental disabilities and hospitals.
- 3 (3) Be displayed prominently for public view, wherever tobacco products are sold at each
 4 cash register, each tobacco <u>and/or electronic-nicotine-delivery systems</u> vending machine, or any
 5 other place from which tobacco products <u>and/or electronic nicotine-delivery systems</u> are sold.
 6 The signs shall be electronically available in both English and Spanish online at the department of
- 11-9-13.8. Prohibitions applicable to license holders and their employees and agents.

 -- A person that holds holding a license issued under chapter 20 of title 44 and/or § 23-1-56, or an employee or agent of that person, is prohibited from selling, distributing, or delivering a tobacco and/or electronic nicotine-delivery system product:
 - (1) To any individual that who is under eighteen (18) years of age; or
- 13 (2) In any form other than an original, factory-wrapped package; or

behavioral healthcare, developmental disabilities and hospitals' website.

14 (3) As a single_cigarette sale (section §44-20-31), or as a sale of cigarettes by the individual piece, known as "loosies."

11-9-13.10. Prohibition on the distribution of free tobacco products. -- The distribution of free tobacco products and electronic nicotine-delivery systems or coupons or vouchers redeemable for free tobacco or electronic nicotine-delivery system products to any person under eighteen (18) years of age shall be prohibited. Further, the distribution of free tobacco products or electronic nicotine-delivery systems or coupons or vouchers redeemable for free tobacco or electronic nicotine-delivery system products shall be prohibited, regardless of the age of the person to whom the products, coupons, or vouchers are distributed, within five hundred (500) feet of any school. The attorney general shall bring an action for any violation of this section. Every separate, free tobacco product or electronic nicotine-delivery system or coupon or voucher redeemable for a free tobacco or electronic nicotine-delivery system product in violation of this section shall constitute a separate offense subject to a fine of five hundred dollars (\$500). The penalty shall be assessed against the business or individual responsible for initiating the Rhode Island distribution of the free tobacco products or electronic nicotine-delivery systems or coupons or vouchers redeemable for free tobacco products or electronic nicotine-delivery systems or coupons or vouchers redeemable for free tobacco products or electronic nicotine-delivery systems or

<u>11-9-13.13. Nature and size of penalties. --</u> (a) Any person or individual that who violates a requirement of section §11-9-13.6(2), display of specific signage, shall be subject to a fine in court of not less than thirty-five dollars (\$35.00), nor more than five hundred dollars (\$500), per civil violation.

- 1 (b) The license holder is responsible for all violations of this section that occur at the
 2 location for which the license is issued. Any license holder that violates the prohibition of section
 3 §11-9-13.8(1) and/or (2) shall be subject to civil fines as follows:
- 4 (1) A fine of two hundred fifty dollars (\$250) for the first violation within any thirty-six_5 (36) month (36) period;

- (2) A fine of five hundred dollars (\$500) for the second violation within any thirty-six_(36) month (36) period;
- (3) A fine of one thousand dollars (\$1,000) and a fourteen_(14) day (14) suspension of the license to sell tobacco products or electronic nicotine delivery systems for the third violation within any thirty-six_(36) month (36) period;
 - (4) A fine of one thousand five hundred dollars (\$1,500) and a ninety_(90) day (90) suspension of the license to sell tobacco products or electronic nicotine-delivery systems for each violation in excess of three (3).
 - (c) Any person that violates a prohibition of section §11-9-13.8(3), sale of single cigarettes; section §11-9-13.8(2), regarding factory-wrapped packs; shall be subject to a penalty of five hundred dollars (\$500) for each violation.
 - (d) The department of taxation <u>and/or the department of health</u> shall not issue a license to any individual, business, firm, association, or corporation the license of which has been revoked or suspended, to any corporation an officer of which has had his or her license revoked or suspended, or to any individual who is, or has been, an officer of a corporation the license of which has been revoked or suspended so long as such revocations or suspensions are in effect.
 - (e) The court shall suspend the imposition of a license suspension of the license secured from the Rhode Island tax administrator for violation of subdivisions (b)(3) and (b)(4) of this section if the court finds that the license holder has taken measures to prevent the sale of tobacco and/or electronic nicotine-delivery systems to minors and the license holder can demonstrate to the court that those measures have been taken and that employees have received training. No person shall sell tobacco products and/or electronic nicotine-delivery-system products at retail, without first being trained in the legal sale of tobacco and/or electronic nicotine-delivery system products. Training shall teach employees what constitutes a tobacco and/or electronic nicotine-delivery system product, legal age of purchase, acceptable identification, how to refuse a direct sale to a minor or secondary sale to an adult, and all applicable laws on tobacco sales and distribution. Dealers shall maintain records indicating that the provisions of this section were reviewed with all employees who conduct, or will conduct, tobacco and/or electronic nicotine-delivery systems sales. Each employee who sells or will sell tobacco and/or electronic nicotine-delivery systems sales. Each employee who sells or will sell tobacco and/or electronic nicotine-

| 1 | delivery system products shall sign an acknowledgement form attesting that the provisions of this |
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| 2 | section were reviewed with him/her or her. Each form shall be maintained by the retailer for as |
| 3 | long as the employee is so employed and for no less than one year after termination of |
| 4 | employment. The measures to prevent the sale of tobacco and/or electronic nicotine-delivery |
| 5 | systems to minors shall be defined by the department of mental health, retardation and hospitals |
| 6 | behavioral healthcare, developmental disabilities and hospitals in rules and regulations. |
| 7 | <u>11-9-14. Use of tobacco by minors</u> No person under eighteen (18) years of age shall |
| 8 | smoke or chew use or possess, when such possession is clearly visible, tobacco in any public |
| 9 | street, place, or resort, any tobacco and/or electronic nicotine-delivery system in any form |
| 10 | whatsoever. Any person under eighteen (18) years of age violating the provisions of this section |
| 11 | shall be required to perform up to thirty (30) hours of community service or shall be required to |
| 12 | enter into a tobacco treatment program, approved by any local substance abuse prevention task |
| 13 | force, at the option of a minor charged with a violation of this section. |
| 14 | SECTION 2. Chapter 23-1 of the General Laws entitled "Department of Health" is |
| 15 | hereby amended by adding thereto the following sections: |
| 16 | 23-1-55. Electronic nicotine delivery system distributor, and dealer licenses required |
| 17 | Definitions Definitions Whenever used in §§ 23-1-56 to 23-1-58, unless the context |
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| 18 | requires otherwise: |
| | requires otherwise: (1) "Dealer" means any person, whether located within or outside of this state, who sells |
| 19 | |
| 19 20 | (1) "Dealer" means any person, whether located within or outside of this state, who sells |
| 19 20 21 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; |
| 19 20 21 22 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: |
| 19 20 21 22 23 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or |
| 19 20 21 22 23 24 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall |
| 19 20 21 22 23 24 25 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse |
| 19 20 21 22 23 24 25 26 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery. |
| 18 19 20 21 22 23 24 25 26 27 28 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery system products in this state only to licensed distributors or to an export warehouse |
| 19 20 21 22 23 24 25 26 27 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery system products in this state only to licensed distributors or to an export warehouse proprietor or another manufacturer with a valid permit; |
| 19 20 21 22 23 24 25 26 27 28 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery system products in this state only to licensed distributors or to an export warehouse proprietor or another manufacturer with a valid permit; (ii) Selling electronic nicotine-delivery system products directly to consumers in this state |
| 19 20 21 22 23 24 25 26 27 28 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery system products in this state only to licensed distributors or to an export warehouse proprietor or another manufacturer with a valid permit; (ii) Selling electronic nicotine-delivery system products directly to consumers in this state by means of at least twenty-five (25) electronic nicotine-delivery system product vending |
| 19 20 21 22 23 24 25 26 27 28 29 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery system products in this state only to licensed distributors or to an export warehouse proprietor or another manufacturer with a valid permit; (ii) Selling electronic nicotine-delivery system products directly to consumers in this state by means of at least twenty-five (25) electronic nicotine-delivery system product vending machines; |
| 119 220 221 222 223 224 225 226 227 228 229 330 331 | (1) "Dealer" means any person, whether located within or outside of this state, who sells or distributes electronic nicotine-delivery system products to a consumer in this state; (2) "Distributor" means any person: (i) Whether located within or outside of this state, other than a dealer, who sells or distributes electronic nicotine-delivery system products within or into this state. Such term shall not include any electronic nicotine-delivery system products manufacturer, export warehouse proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-delivery system products in this state only to licensed distributors or to an export warehouse proprietor or another manufacturer with a valid permit; (ii) Selling electronic nicotine-delivery system products directly to consumers in this state by means of at least twenty-five (25) electronic nicotine-delivery system product vending machines; (iii) Engaged in this state in the business of manufacturing electronic nicotine-delivery |

| 1 | person in this state are sold to dealers or other persons for resale and selling electronic nicotine- |
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| 2 | delivery system products directly to at least forty (40) dealers or other persons for resale; or |
| 3 | (iv) Maintaining one or more regular places of business in this state for that purpose; |
| 4 | provided, that seventy-five percent (75%) of the sold electronic nicotine-delivery system products |
| 5 | are purchased directly from the manufacturer and selling electronic nicotine-delivery system |
| 6 | products directly to at least forty (40) dealers or other persons for resale; |
| 7 | (3) "Electronic nicotine-delivery system" means the products as defined in § 11-9- |
| 8 | <u>13.4(15).</u> |
| 9 | 23-1-56. License (a) Each person engaging in the business of selling electronic |
| 10 | nicotine-delivery system products in the state, including any distributor or dealer, shall secure a |
| 11 | license annually from the department before engaging in that business or continuing to engage in |
| 12 | it. A separate application and license is required for each place of business operated by a |
| 13 | distributor or dealer. If the applicant for a license does not have a place of business in this state, |
| 14 | the license shall be issued for such applicant's principal place of business, wherever located. A |
| 15 | licensee shall notify the department within thirty (30) days in the event that it changes its |
| 16 | principal place of business. A separate license is required for each class of business if the |
| 17 | applicant is engaged in more than one of the activities required to be licensed by this section. No |
| 18 | person shall maintain or operate, or cause to be operated, a vending machine for electronic |
| 19 | nicotine-delivery systems without procuring a dealer's license for each machine. |
| 20 | (b) The director shall have authority to set a reasonable fee not to exceed twenty-five |
| 21 | dollars (\$25.00) for the issuance of the license. |
| 22 | (c) Each issued license shall be prominently displayed on the premises, if any, covered by |
| 23 | the license. |
| 24 | (d) The director shall create and maintain a website setting forth the identity of all |
| 25 | licensed persons under this section, itemized by type of license possessed, and shall update the |
| 26 | site no less frequently than six (6) times per year. |
| 27 | (e) A manufacturer or importer may sell or distribute electronic nicotine-delivery systems |
| 28 | to a person located or doing business within the state only if such person is a licensed distributor. |
| 29 | An importer may obtain electronic nicotine-delivery systems only from a licensed manufacturer. |
| 30 | A distributor may sell or distribute electronic nicotine-delivery systems to a person located or |
| 31 | doing business within this state only if such person is a licensed distributor or dealer. A |
| 32 | distributor may obtain electronic nicotine-delivery systems only from a licensed manufacturer, |
| 33 | importer, or distributor. A dealer may obtain electronic nicotine-delivery systems only from a |
| 34 | licensed distributor |

| 1 | (1)(1) No license under this chapter may be granted, maintained, or renewed if the |
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| 2 | applicant, or any combination of persons owning directly or indirectly any interests in the |
| 3 | applicant: |
| 4 | (i) Is delinquent in any tax filings for one month or more; or |
| 5 | (ii) Had a license under this chapter revoked within the past two (2) years. |
| 6 | (2) No person shall apply for a new license, or renewal of a license and no license shall |
| 7 | be issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to |
| 8 | any license held by that person have been paid. |
| 9 | (3) No license shall be issued relating to a business at any specific location until all prior |
| 10 | licenses relating to that location have been officially terminated and all fines, fees, or charges |
| 11 | relating to the prior licenses have been paid or otherwise resolved or if the director has found that |
| 12 | the person applying for the new license is not acting as an agent for the prior licensee who is |
| 13 | subject to any such related fines, fees, or charges that are still due. Evidence of such agency status |
| 14 | includes, but is not limited to, a direct familial relationship and/or employment, contractual, or |
| 15 | other formal financial or business relationship with the prior licensee. |
| 16 | (4) No person shall apply for a new license pertaining to a specific location in order to |
| 17 | evade payment of any fines, fees, or other charges relating to a prior license for that location. |
| 18 | (5) No new license shall be issued for a business at a specific location for which a license |
| 19 | has already issued unless there is a bona fide, good faith change in ownership of the business at |
| 20 | that location. |
| 21 | (6) No license or permit shall be issued, renewed or maintained for any person, including |
| 22 | the owners of the business being licensed, who has been convicted of violating any criminal law |
| 23 | relating to tobacco products and/or electronic nicotine-delivery system products, the payment of |
| 24 | taxes, or fraud, or has been ordered to pay civil fines of more than twenty-five thousand dollars |
| 25 | (\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine- |
| 26 | delivery system products, the payment of taxes, or fraud. |
| 27 | 23-1-57. Penalties for unlicensed business Any distributor or dealer who sells, offers |
| 28 | for sale, or possesses with intent to sell, electronic nicotine-delivery system products without a |
| 29 | license as provided in § 23-1-56, shall be fined in accordance with the provisions of, and the |
| 30 | penalties contained in, § 23-1-58. |
| 31 | 23-1-58. Penalty for operating without a dealer license (a) Any individual or |
| 32 | business who violates this chapter by selling or conveying an electronic nicotine-delivery system |
| 33 | product without a retail license shall be cited for that violation and shall be required to appear in |
| 34 | district court for a hearing on the citation |

| 1 | (b) Any individual or business cited for a violation nereunder snail: |
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| 2 | (1) Either post a five hundred dollar (\$500) bond with the district court within ten (10) |
| 3 | days of the citation; or |
| 4 | (2) Sign and accept the citation indicating a promise to appear in court. |
| 5 | (c) An individual or business who or that has accepted the citation may: |
| 6 | (1) Pay the five hundred dollar (\$500) fine, either by mail or in person, within ten (10) |
| 7 | days after receiving the citation; or |
| 8 | (2) If that individual or business has posted a bond, forfeit the bond by not appearing at |
| 9 | the scheduled hearing. If the individual or business cited pays the five hundred dollar (\$500) fine |
| 0 | or forfeits the bond, that individual or business is deemed to have admitted the cited violation and |
| 1 | to have waived the right to a hearing on the issue of commission on the violation. |
| .2 | (d) The court, after a hearing on a citation, shall make a determination as to whether a |
| .3 | violation has been committed. If it is established that the violation did occur, the court shall |
| 4 | impose a five hundred dollar (\$500) fine in addition to any court costs or fees. |
| .5 | SECTION 3. This act shall take effect upon passage. The amendments to §§ 11-9-13, 11- |
| 6 | 9-13.1, 11-9-13.4, 11-9-13.7, 11-9-13.10 and 11-9-14 shall take effect on July 1, 2014 and the |
| 7 | amendments to §§ 11-9-13.6, 11-9-13.8, 11-9-13.13, 23-1-55, 23-1-56, 23-1-57 and 23-1-58 shall |
| .8 | take effect on January 1, 2015. |
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| | ====== LC003029/SUB A/2 |
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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO CRIMINAL OFFENSES -- SALE OF TOBACCO PRODUCTS TO THOSE UNDER EIGHTEEN (18)

This act would amend the definition of tobacco products to include vapor products and alternative nicotine products for the purpose of prohibiting access by minors.

This act would take effect upon passage.

LC003029/SUB A/2

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