



HB20-1001

# Nicotine Product Regulation

Concerning nicotine product regulations, and, in connection therewith, making an appropriation.

SESSION: 2020 Regular Session

SUBJECT: Liquor, Tobacco, & Marijuana

## BILL SUMMARY

**Sections 1 through 8** of the bill raise the minimum age of a person to whom cigarettes, tobacco products, and nicotine products (products) may be sold from 18 years of age to 21 years of age.

Under current law, if a minor purchases or attempts to purchase any one of the products, the minor may be convicted of a class 2 petty offense subject to a \$100 fine. In addition to raising the minimum age from 18 years of age to 21 years of age, section 1 also repeals the criminal penalty for purchasing or attempting to purchase the products as a minor.

Section 7 also prohibits a retailer from permitting a person under 18 years of age to sell or participate in the sale of products ; *however, an employee who is 18, 19, or 20 years of age may handle the products.*

Section 8 also increases the minimum number of compliance checks required of each retail location at which the products are sold to 2 per year or at least the minimum number annually required by federal regulation, whichever number is greater. *Additionally, section 8 requires rule-making regarding a requirement that the liquor enforcement division (division) in the department of revenue coordinate with local licensing authorities on performing compliance checks and addressing complaints about retailers.*

**Section 9** requires every retailer of the products in the state, on and after July 1, 2021, to be licensed. The ~~liquor enforcement division (division) of the department of revenue~~ is charged with licensing retailers and coordinating with local authorities on retail location compliance checks and investigations of complaints about retailers.

**Section 10** prohibits: New retail locations at which products are sold from being located within 500 feet of a school *unless a local licensing authority has approved a license application for the new retail location* ; retail locations that sell electronic smoking device products from advertising those products in a manner that is visible from outside the retail location; and delivery of products , *other than cigars and pipe tobacco*, directly to consumers *unless the delivery is made by an employee of a licensed retailer who is at least 21 years of age and who uses a vehicle owned or leased by the licensed retailer and, at the time of delivery, checks the identification of the individual receiving the delivery to determine that the individual is 21 years of age or older .*

**Section 11** governs enforcement of the licensing requirements.

**Section 12** adjusts the fine amounts for violating the prohibition against selling products to minors from a maximum fine for a fifth or subsequent violation within 24 months of \$1,000 to \$15,000 to a maximum fine for a fourth or subsequent violation in ~~36~~ 24 months of \$1,000 to \$15,000. Additionally, the division must prohibit a retailer who commits a second or subsequent violation within ~~36~~ 24 months from selling products at the retail location where the violation occurred for a specified period of time, starting with at least 7 days for a second violation within ~~36~~ 24 months, to at least 30 days for a third violation within ~~36~~ 24 months, and finally for up to 3 years for a fourth or subsequent violation within ~~36~~ 24 months.

Additionally, section 12 establishes fines for selling or offering to sell products without a valid state license on or after July 1, 2021, with the amount of fines ranging from \$1,000 for a first violation to \$3,000 for a third or subsequent violation. If a person sells or offers to sell products without a valid state license at least 3 times in a ~~36-month~~ 24-month period, the person is not eligible to apply for a state license for 3 years thereafter.

~~Section 12 also adjusts the period within which a subsequent violation of the prohibition against selling products from a vending machine or the requirement to display a warning at the retail location is subject to an increased fee from 24 months to 36 months.~~ Further, section 12 also applies the same fine structure as exists for selling products from a vending machine or failing to display the requisite warning to a violation of the prohibition against allowing a person under 18 years of age to sell or participate in the sale of products.

**Sections 13 through 17** make conforming amendments.

*(Note: Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.)*

*(Note: This summary applies to the reengrossed version of this bill as introduced in the second house.)*

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