

**CIGARETTE AND TOBACCO TAX AND LICENSING
AMENDMENTS**

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Paul Ray

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

General Description:

This bill amends the Cigarette and Tobacco Tax and Licensing chapter to address taxation and regulation related to cigarettes and tobacco products.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies certain reporting requirements to the State Tax Commission related to cigarettes;
- ▶ addresses the taxation of a little cigar or cigarette produced from a cigarette rolling machine;
- ▶ addresses the applicability of certain tax provisions to a cigarette produced from a cigarette rolling machine;
- ▶ provides for a credit or refund of tax for a cigarette rolling machine operator under certain circumstances;
- ▶ enacts the Cigarette Rolling Machine Operators Act, including:
 - requiring the certification and renewal of certification of cigarette rolling machine operators by the State Tax Commission under certain circumstances;



- 28 • providing procedures and requirements for a cigarette rolling machine operator
- 29 to obtain certification or renewal of certification;
- 30 • requiring a cigarette rolling machine operator to make certain reports to the
- 31 State Tax Commission;
- 32 • requiring a cigarette rolling machine operator to maintain a secure meter on a
- 33 cigarette rolling machine;
- 34 • addressing the denial or revocation of certification of a cigarette rolling machine
- 35 operator;
- 36 • addressing appeals;
- 37 • requiring a cigarette rolling machine operator to remove a cigarette rolling
- 38 machine from its premises under certain circumstances; and
- 39 • granting rulemaking authority to the State Tax Commission; and
- 40 ▶ makes technical and conforming changes.

41 **Money Appropriated in this Bill:**

42 None

43 **Other Special Clauses:**

44 This bill takes effect on July 1, 2013.

45 **Utah Code Sections Affected:**

46 AMENDS:

- 47 **59-14-102**, as last amended by Laws of Utah 2011, Chapter 229
- 48 **59-14-201**, as last amended by Laws of Utah 2004, Chapter 217
- 49 **59-14-214**, as last amended by Laws of Utah 2011, Chapter 164
- 50 **59-14-302**, as last amended by Laws of Utah 2011, Chapter 229
- 51 **59-14-601**, as enacted by Laws of Utah 2005, Chapter 204

52 ENACTS:

- 53 **59-14-305**, Utah Code Annotated 1953
- 54 **59-14-701**, Utah Code Annotated 1953
- 55 **59-14-702**, Utah Code Annotated 1953
- 56 **59-14-703**, Utah Code Annotated 1953
- 57 **59-14-704**, Utah Code Annotated 1953
- 58 **59-14-705**, Utah Code Annotated 1953

59 **59-14-706**, Utah Code Annotated 1953
60 **59-14-707**, Utah Code Annotated 1953



61
62 *Be it enacted by the Legislature of the state of Utah:*

63 Section 1. Section **59-14-102** is amended to read:

64 **59-14-102. Definitions.**

65 As used in this chapter:

66 (1) "Cigarette" means a roll for smoking made wholly or in part of tobacco:

67 (a) regardless of:

68 (i) the size of the roll;

69 (ii) the shape of the roll; or

70 (iii) whether the tobacco is:

71 (A) flavored;

72 (B) adulterated; or

73 (C) mixed with any other ingredient; and

74 (b) if the wrapper or cover of the roll is made of paper or any other substance or
75 material except tobacco.

76 (2) "Cigarette rolling machine" means a device or machine that has the capability to
77 produce at least 150 cigarettes in less than 30 minutes.

78 (3) "Cigarette rolling machine operator" means a person who:

79 (a) (i) controls, leases, owns, possesses, or otherwise has available for use a cigarette
80 rolling machine; and

81 (ii) makes the cigarette rolling machine available for use by another person to produce
82 a cigarette; or

83 (b) offers for sale, at retail, a cigarette produced from the cigarette rolling machine.

84 ~~[(2)]~~ (4) "Consumer" means a person that is not required:

85 (a) under Section 59-14-201 to obtain a license under Section 59-14-202; or

86 (b) under Section 59-14-301 to obtain a license under Section 59-14-202.

87 ~~[(3)]~~ (5) "Counterfeit cigarette" means:

88 (a) a cigarette that has a false manufacturing label; or

89 (b) a package of cigarettes bearing a counterfeit tax stamp.

90 ~~[(4)]~~ (6) "Importer" means a person who imports into the United States, either directly
91 or indirectly, a finished cigarette for sale or distribution.

92 ~~[(5)]~~ (7) "Indian tribal entity" means a federally recognized Indian tribe, tribal entity, or
93 any other person doing business as a distributor or retailer of cigarettes on tribal lands located
94 in the state.

95 ~~[(6)]~~ (8) "Little cigar" means a roll for smoking:

96 (a) made wholly or in part of tobacco;

97 (b) that uses an integrated cellulose acetate filter or other similar filter; and

98 (c) that is wrapped in a substance:

99 (i) containing tobacco; and

100 (ii) that is not exclusively natural leaf tobacco.

101 ~~[(7)]~~ "Manufacturer"

102 (9) (a) Except as provided in Subsection (9)(b), "manufacturer" means a person who
103 manufactures, fabricates, assembles, processes, or labels a finished cigarette.

104 (b) "Manufacturer" does not include a cigarette rolling machine operator.

105 ~~[(8)]~~ (10) "Moist snuff" means tobacco that:

106 (a) is finely:

107 (i) cut;

108 (ii) ground; or

109 (iii) powdered;

110 (b) has at least 45% moisture content, as determined by the commission by rule made
111 in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

112 (c) is not intended to be:

113 (i) smoked; or

114 (ii) placed in the nasal cavity; and

115 (d) except for single-use pouches of loose tobacco, is not packaged, produced, sold, or
116 distributed in single-use units, including:

117 (i) tablets;

118 (ii) lozenges;

119 (iii) strips;

120 (iv) sticks; or

121 (v) packages containing multiple single-use units.

122 [~~9~~] (11) "Retailer" means a person that:

123 (a) sells or distributes a cigarette to a consumer in the state; or

124 (b) intends to sell or distribute a cigarette to a consumer in the state.

125 [~~10~~] (12) "Stamp" means the indicia required to be placed on a cigarette package that
126 evidences payment of the tax on cigarettes required by Section 59-14-205.

127 [~~11~~] (13) (a) "Tobacco product" means a product made of, or containing, tobacco.

128 (b) "Tobacco product" includes:

129 (i) a cigarette produced from a cigarette rolling machine;

130 [~~12~~] (ii) a little cigar; or

131 [~~13~~] (iii) moist snuff.

132 (c) "Tobacco product" does not include a cigarette.

133 [~~14~~] (14) "Tribal lands" means land held by the United States in trust for a federally
134 recognized Indian tribe.

135 Section 2. Section **59-14-201** is amended to read:

136 **59-14-201. License -- Application of part -- Fee -- Bond -- Exceptions.**

137 (1) It is unlawful for any person in this state to manufacture, import, distribute, barter,
138 sell, exchange, or offer cigarettes for sale without first having obtained a license issued by the
139 commission under Section 59-14-202.

140 (2) Except for the tax rates described in Subsection 59-14-204(2), this part does not
141 apply to a cigarette produced from a cigarette rolling machine.

142 [~~3~~] (3) (a) A license may not be issued for the sale of cigarettes until the applicant has
143 paid a license fee of \$30 or a license renewal fee of \$20, as appropriate.

144 (b) The fee for reinstatement of a license that has been revoked, suspended, or allowed
145 to expire is \$30.

146 [~~4~~] (4) (a) A license may not be issued until the applicant files a bond with the
147 commission. The commission shall determine the form and the amount of the bond, the
148 minimum amount of which shall be \$500. The bond shall be executed by the applicant as
149 principal, with a corporate surety, payable to the state and conditioned upon the faithful
150 performance of all the requirements of this chapter, including the payment of all taxes,
151 penalties, and other obligations.

152 (b) [~~Applicants are~~] An applicant is not required to post a bond [~~who~~] if the applicant:

153 (i) [~~purchase~~] purchases during the license year only products [~~which~~] that have the
154 proper state stamp affixed as required by this chapter; and

155 (ii) [~~file~~] files an affidavit with [~~their~~] the applicant's application attesting to this fact.

156 Section 3. Section **59-14-214** is amended to read:

157 **59-14-214. Nonparticipating manufacturer equity assessment.**

158 (1) As used in this section, "nonparticipating manufacturer" means a tobacco product
159 manufacturer, as defined in Section 59-22-202, that is not a participating manufacturer within
160 the meaning of Subsection II(jj) of the Master Settlement Agreement, as defined in Section
161 59-22-202.

162 (2) (a) There is levied an equity assessment, at the rate of 1.75 cents on each cigarette,
163 for all cigarette packages of nonparticipating manufacturers to which a stamp is affixed as
164 required under Section 59-14-205.

165 (b) The equity assessment imposed by this section is in addition to all other
166 assessments, fees, and taxes levied under existing law.

167 (c) The equity assessment imposed by this section shall be paid by affixing a stamp in
168 the manner and at the time described in Section 59-14-205.

169 (d) Except as otherwise provided in this section, the equity assessment shall be
170 collected, paid, administered, and enforced in the same manner as the tax on cigarettes levied
171 by Section 59-14-204.

172 (3) The purposes of this equity assessment are:

173 (a) to recover health care costs to the state imposed by nonparticipating manufacturers;

174 (b) to prevent nonparticipating manufacturers from undermining the state's policy of
175 reducing underage smoking by offering cigarettes for sale substantially below the prices of
176 cigarettes of other manufacturers;

177 (c) to protect funding, which is reduced as a result of the growth of nonparticipating
178 manufacturer cigarette sales, for programs funded in whole or in part by payments to the state
179 under the Master Settlement Agreement, as defined in Section 59-22-202;

180 (d) to recoup settlement-payment revenue lost to the state as a result of
181 nonparticipating manufacturer cigarette sales; and

182 (e) to fund enforcement and administration of:

183 (i) Chapter 14, Part 6, Tobacco Manufacturer Stamping Enforcement Provisions;
 184 (ii) Sections 59-22-201 through 59-22-203, related to nonparticipating manufacturers;
 185 and

186 (iii) the equity assessment imposed by this section.

187 (4) Each manufacturer, distributor, wholesaler, or retail dealer who under Section
 188 59-14-205 affixes a stamp to a package of cigarettes, shall report [~~monthly~~] quarterly to the
 189 commission for each place of business, the number and denominations of stamps affixed to
 190 individual packages of nonparticipating manufacturer cigarettes sold by the manufacturer,
 191 distributor, wholesaler, or retail dealer in the preceding [~~month~~] quarter, including the
 192 manufacturer and brand family.

193 (5) A person required to file a report under this section who fails to timely file the
 194 report, or who provides false or misleading information on, or in relation to, the report:

195 (a) is guilty of a class B misdemeanor; and

196 (b) is subject to:

197 (i) revocation or suspension of a license under Part 2, Cigarettes; and

198 (ii) a civil penalty, imposed by the commission, in an amount that does not exceed the
 199 greater of:

200 (A) 500% of the retail value of the cigarettes for which an accurate report was not
 201 filed; or

202 (B) \$5,000.

203 Section 4. Section **59-14-302** is amended to read:

204 **59-14-302. Tax basis -- Rates.**

205 (1) As used in this section:

206 (a) "Manufacturer's sales price" means the amount the manufacturer of a tobacco
 207 product charges after subtracting a discount.

208 (b) "Manufacturer's sales price" includes an original Utah destination freight charge,
 209 regardless of:

210 (i) whether the tobacco product is shipped f.o.b. origin or f.o.b. destination; or

211 (ii) who pays the original Utah destination freight charge.

212 (2) There is levied a tax upon the sale, use, or storage of tobacco products in the state.

213 (3) [~~The~~] (a) Subject to Subsection (3)(b), the tax levied under Subsection (2) shall be

214 paid by the manufacturer, jobber, distributor, wholesaler, retailer, user, or consumer.

215 (b) The tax levied under Subsection (2) on a cigarette produced from a cigarette rolling
216 machine shall be paid by the cigarette rolling machine operator.

217 (4) For tobacco products except for moist snuff ~~[or]~~, a little cigar, or a cigarette
218 produced from a cigarette rolling machine, the rate of the tax under this section is .86
219 multiplied by the manufacturer's sales price.

220 (5) (a) Subject to Subsection (5)(b), the tax under this section on moist snuff is
221 imposed:

- 222 (i) at a rate of \$1.83 per ounce; and
- 223 (ii) on the basis of the net weight of the moist snuff as listed by the manufacturer.

224 (b) If the net weight of moist snuff is in a quantity that is a fractional part of one ounce,
225 a proportionate amount of the tax described in Subsection (5)(a) is imposed:

- 226 (i) on that fractional part of one ounce; and
- 227 (ii) in accordance with rules made by the commission in accordance with Title 63G,
228 Chapter 3, Utah Administrative Rulemaking Act.

229 (6) (a) A little cigar is taxed ~~[in the same]~~ at the same tax rates manner as a cigarette is
230 taxed under Subsection 59-14-204(2).

231 (b) (i) Subject to Subsection (6)(b)(ii), a cigarette produced from a cigarette rolling
232 machine is taxed at the same tax rates as a cigarette is taxed under Subsection 59-14-204(2).

233 (ii) A tax under this Subsection (6)(b) is imposed on the date the cigarette is produced
234 from the cigarette rolling machine.

235 (7) (a) Moisture content of a tobacco product is determined at the time of packaging.

236 (b) A manufacturer who distributes a tobacco product in, or into, Utah, shall:

237 (i) for a period of three years after the last day on which the manufacturer distributes
238 the tobacco product in, or into, Utah, keep valid scientific evidence of the moisture content of
239 the tobacco product available for review by the commission, upon demand; and

240 (ii) provide a document, to the person described in Subsection (3) to whom the
241 manufacturer distributes the tobacco product, that certifies the moisture content of the tobacco
242 product, as verified by the scientific evidence described in Subsection (7)(b)(i).

243 (c) A manufacturer who fails to comply with the requirements of Subsection (7)(b) is
244 liable for the nonpayment or underpayment of taxes on the tobacco product by a person who

245 relies, in good faith, on the document described in Subsection (7)(b)(ii).

246 (d) A person described in Subsection (3) who is required to pay tax on a tobacco
247 product:

248 (i) shall, for a period of three years after the last day on which the person pays the tax
249 on the tobacco product, keep the document described in Subsection (7)(b)(ii) available for
250 review by the commission, upon demand; and

251 (ii) is not liable for nonpayment or underpayment of taxes on the tobacco product due
252 to the person's good faith reliance on the document described in Subsection (7)(b)(ii).

253 Section 5. Section **59-14-305** is enacted to read:

254 **59-14-305. Credit or refund for cigarette rolling machine operator.**

255 (1) A cigarette rolling machine operator may claim a credit or refund on a return filed
256 under Section 59-14-303 as provided in this section if:

257 (a) a person pays a tax under this chapter on tobacco that the person sells or provides to
258 the cigarette rolling machine operator; and

259 (b) the cigarette rolling machine operator pays a tax under Section 59-14-302 on the
260 tobacco that the cigarette rolling machine operator:

261 (i) purchases or is provided with under Subsection (1)(a); and

262 (ii) uses to produce a cigarette from the cigarette rolling machine.

263 (2) The credit under this section is the lesser of:

264 (a) the tax paid under Subsection (1)(a); or

265 (b) the tax paid under Subsection (1)(b).

266 (3) A cigarette rolling machine operator that claims a credit or refund under this section
267 shall:

268 (a) keep in a form prescribed by the commission books and records that are necessary
269 to establish the tax paid under Subsection (1)(a) and the tax paid under Subsection (1)(b) for
270 purposes of calculating the credit or refund the cigarette rolling machine operator may claim;

271 (b) keep the books and records described in Subsection (3)(a) for the time period
272 during which an assessment may be made under Section 59-1-1408; and

273 (c) open the books and records for examination at any time by:

274 (i) the commission; or

275 (ii) an agent or representative the commission designates.

276 Section 6. Section **59-14-601** is amended to read:

277 **59-14-601. Definitions.**

278 As used in this part:

279 (1) "Brand family" means:

280 (a) all styles of cigarettes sold under the same trademark and differentiated from one
281 another by means of additional modifiers or descriptors, including: "menthol," "lights,"
282 "kings," and "100s"; and

283 (b) any brand name, alone or in conjunction with any other word, trademark, logo,
284 symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product
285 identification identical or similar to, or identifiable with, a previously known brand of
286 cigarettes.

287 (2) "Cigarette" has the same meaning as in Subsection 59-22-202(4).

288 (3) "Commission" means the State Tax Commission as defined in Section 59-1-101.

289 (4) "Distributor" means a person, wherever residing or located, who purchases
290 nontax-paid cigarettes and stores, sells, or otherwise disposes of the cigarettes.

291 (5) "Master Settlement Agreement" has the same meaning as in Subsection
292 59-22-202(5).

293 (6) "Nonparticipating manufacturer" means any tobacco product manufacturer that is
294 not a participating manufacturer.

295 (7) "Participating manufacturer" has the meaning given that term in Section II(jj) of the
296 Master Settlement Agreement and all amendments thereto.

297 (8) "Stamping agent" means a person that is authorized to affix tax stamps to packages
298 or other containers of cigarettes under Section 59-14-205 or any person that is required to pay
299 the tobacco tax imposed pursuant to Section 59-14-302.

300 (9) "Qualified Escrow Fund" has the same meaning as defined in Subsection
301 59-22-202(6).

302 (10) (a) [~~"Tobacco"~~] Except as provided in Subsection (10)(b), "tobacco product
303 manufacturer" has the same meaning as defined in Subsection 59-22-202(9).

304 (b) "Tobacco product manufacturer" does not include a cigarette rolling machine
305 operator as defined in Section 59-14-102.

306 (11) "Units sold" has the same meaning as defined in Subsection 59-22-202(10).

307 Section 7. Section **59-14-701** is enacted to read:

308 **Part 7. Cigarette Rolling Machine Operators Act**

309 **59-14-701. Title.**

310 This part is known as the "Cigarette Rolling Machine Operators Act."

311 Section 8. Section **59-14-702** is enacted to read:

312 **59-14-702. Definitions.**

313 As used in this part:

314 (1) "Brand family" is as defined in Section 59-14-601.

315 (2) "Tobacco product manufacturer" is as defined in Section 59-14-601.

316 Section 9. Section **59-14-703** is enacted to read:

317 **59-14-703. Certification of cigarette rolling machine operators -- Renewal of**
318 **certification -- Requirements for certification or renewal of certification -- Denial.**

319 (1) A cigarette rolling machine operator may not perform the following without first
320 obtaining certification from the commission as provided in this part:

321 (a) locate a cigarette rolling machine within this state;

322 (b) make or offer to make a cigarette rolling machine available for use within this state;

323 or

324 (c) offer a cigarette for sale within this state if the cigarette is produced by:

325 (i) the cigarette rolling machine operator; or

326 (ii) another person at the location of the cigarette rolling machine operator's cigarette
327 rolling machine.

328 (2) A cigarette rolling machine operator shall renew its certification as provided in this
329 section.

330 (3) The commission shall prescribe a form for certifying a cigarette rolling machine
331 operator under this part.

332 (4) (a) A cigarette rolling machine operator shall apply to the commission for
333 certification before the cigarette rolling machine operator performs an act described in
334 Subsection (1) within the state for the first time.

335 (b) A cigarette rolling machine operator shall apply to the commission for a renewal of
336 certification on or before the earlier of:

337 (i) December 31 of each year; or

338 (ii) the day on which there is a change in any of the information the cigarette rolling
339 machine operator provides on the form described in Subsection (3).

340 (5) To obtain certification or renewal of certification under this section from the
341 commission, a cigarette rolling machine operator shall:

342 (a) identify:

343 (i) the cigarette rolling machine operator's name and address;

344 (ii) the location, make, and brand of the cigarette rolling machine operator's cigarette
345 rolling machine; and

346 (iii) each person from whom the cigarette rolling machine operator will purchase or be
347 provided tobacco products that the cigarette rolling machine operator will use to produce
348 cigarettes; and

349 (b) certify, under penalty of perjury, that:

350 (i) the tobacco to be used in the cigarette rolling machine operator's cigarette rolling
351 machine, regardless of the tobacco's label or description, shall be only of a:

352 (A) brand family listed on the commission's directory listing required by Section
353 59-14-603; and

354 (B) tobacco product manufacturer listed on the commission's directory listing required
355 by Section 59-14-603;

356 (ii) the cigarette rolling machine operator shall prohibit another person who uses the
357 cigarette rolling machine operator's cigarette rolling machine from using tobacco, a wrapper, or
358 a cover except for tobacco, a wrapper, or a cover purchased by or provided to the cigarette
359 rolling machine operator from a person identified in accordance with Subsection (5)(a)(iii);

360 (iii) the cigarette rolling machine operator holds a current license issued in accordance
361 with this chapter;

362 (iv) the cigarettes produced from the cigarette rolling machine shall comply with Title
363 53, Chapter 7, Part 4, The Reduced Cigarette Ignition Propensity and Firefighter Protection
364 Act;

365 (v) the cigarette rolling machine shall be located in a separate and defined area where
366 the cigarette rolling machine operator ensures that a person younger than 19 years of age may
367 not be;

368 (A) present at any time; or

369 (B) permitted to enter at any time; and
370 (vi) the cigarette rolling machine operator may not barter, distribute, exchange, offer,
371 or sell cigarettes produced from a cigarette rolling machine in a quantity of less than 20
372 cigarettes per retail transaction.

373 (6) If the commission determines that a cigarette rolling machine operator meets the
374 requirements for certification or renewal of certification under this section, the commission
375 shall grant the certification or renewal of certification.

376 (7) If the commission determines that a cigarette rolling machine operator does not
377 meet the requirements for certification or renewal of certification under this section, the
378 commission shall:

379 (a) deny the certification or renewal of certification; and

380 (b) provide the cigarette rolling machine operator the grounds for denial of the
381 certification or renewal of certification in writing.

382 Section 10. Section **59-14-704** is enacted to read:

383 **59-14-704. Cigarette rolling machine operator quarterly report to commission.**

384 (1) A cigarette rolling machine operator shall each quarter report to the commission:

385 (a) the number of cigarettes, by weight, produced from each of the cigarette rolling
386 machine operator's cigarette rolling machines for the previous calendar quarter;

387 (b) the brand family and the tobacco product manufacturer of the brand family of the
388 tobacco the cigarette rolling machine operator purchased or was provided for use by the
389 cigarette rolling machine operator's cigarette rolling machine for the previous calendar quarter;

390 (c) the ounces of tobacco the cigarette rolling machine operator purchased or was
391 provided for use by the cigarette rolling machine operator's cigarette rolling machine for the
392 previous calendar quarter; and

393 (d) each person from whom the cigarette rolling machine operator purchased or was
394 provided tobacco for use by the cigarette rolling machine operator's cigarette rolling machine
395 for the previous calendar quarter.

396 (2) A cigarette rolling machine operator shall file the report required by this section on
397 the last day of the month immediately following the last day of the previous calendar quarter.

398 (3) The commission shall prescribe the form for the report under this section.

399 Section 11. Section **59-14-705** is enacted to read:

400 **59-14-705.** Cigarette rolling machine operator shall maintain a secure meter on
401 cigarette rolling machine.

402 (1) A cigarette rolling machine operator shall maintain a secure meter on each cigarette
403 rolling machine that the cigarette rolling machine operator controls, leases, owns, possesses, or
404 otherwise has available for use.

405 (2) The secure meter described in Subsection (1):

406 (a) shall maintain an accurate count of the cigarettes, by weight, dispensed by the
407 cigarette rolling machine;

408 (b) may not be accessed except to take a reading of the secure meter; and

409 (c) may not be reset or otherwise altered.

410 Section 12. Section **59-14-706** is enacted to read:

411 **59-14-706.** Revocation of certification -- Denial of certification or revocation of
412 certification appeal procedures -- Removal of cigarette rolling machine from premises.

413 (1) In addition to the penalties provided under this title, the commission shall revoke
414 the certification of a cigarette rolling machine operator if the cigarette rolling machine operator
415 violates this part.

416 (2) The following are subject to review in accordance with Title 63G, Chapter 4,
417 Administrative Procedures Act:

418 (a) the commission's denial of certification or denial of renewal of certification under
419 Section 59-14-703; or

420 (b) the commission's revocation of certification under this section.

421 (3) If the commission revokes the certification of a cigarette rolling machine operator:

422 (a) the commission shall send written notice of the revocation to the cigarette rolling
423 machine operator; and

424 (b) the cigarette rolling machine operator:

425 (i) may not use the cigarette rolling machine or make or offer to make the cigarette
426 rolling machine available for use; and

427 (ii) no later than 10 days after the date the commission sends the written notice
428 described in Subsection (3)(a), shall remove the cigarette rolling machine from the cigarette
429 rolling machine operator's premises.

430 Section 13. Section **59-14-707** is enacted to read:

431 **59-14-707. Commission rulemaking authority.**

432 In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
433 commission may make rules to verify information for purposes of granting or denying a
434 certification or renewal of certification under this part.

435 Section 14. **Effective date.**

436 This bill takes effect on July 1, 2013.

Legislative Review Note
as of 12-7-12 11:05 AM

Office of Legislative Research and General Counsel