

HB0118S01 compared with HB0118

~~text~~ shows text that was in HB0118 but was deleted in HB0118S01.

text shows text that was not in HB0118 but was inserted into HB0118S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Jennifer Dailey-Provost proposes the following substitute bill:

RETAIL TOBACCO~~{SPECIALTY BUSINESS}~~ AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jennifer ~~{Dailey-Provost}~~Dailey-Provost

Senate Sponsor: ~~{_____}~~Evan J. Vickers

LONG TITLE

General Description:

This bill amends provisions relating to the sale of certain tobacco products.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ amends the definition of a retail tobacco specialty business to include any retailer that sells a flavored ~~tobacco product;~~

electronic cigarette product;

- ▶ repeals preemption of certain local ordinances relating to tobacco products;
- ▶ authorizes regulation and testing of manufacturer sealed electronic cigarette substances;
- ▶ requires a tobacco retailer to maintain certain records;

HB0118S01 compared with HB0118

- ▶ allows a political subdivision or a state agency to adopt an ordinance, regulation, or rule affecting the sale of certain electronic cigarette products;
- ▶ prohibits a manufacturer, wholesaler, or retailer from providing certain discounts or giveaways for tobacco products; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

~~{ None }~~ This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

10-8-41.6, as last amended by Laws of Utah 2018, Chapter 231

17-50-333, as last amended by Laws of Utah 2018, Chapter 231

26-57-103, as enacted by Laws of Utah 2015, Chapter 132

76-10-105.1 (Superseded 07/01/20), as last amended by Laws of Utah 2018, Chapter 231

76-10-105.1 (Effective 07/01/20), as last amended by Laws of Utah 2019, Chapter 232

76-10-111, as last amended by Laws of Utah 2010, Chapter 114

76-10-112, as enacted by Laws of Utah 1989, Chapter 193

ENACTS:

26-62-206, Utah Code Annotated 1953

Utah Code Sections Affected by Coordination Clause:

10-8-41.6, as last amended by Laws of Utah 2018, Chapter 231

17-50-333, as last amended by Laws of Utah 2018, Chapter 231

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **10-8-41.6** is amended to read:

10-8-41.6. Regulation of retail tobacco specialty business.

(1) As used in this section:

(a) "Community location" means:

(i) a public or private kindergarten, elementary, middle, junior high, or high school;

HB0118S01 compared with HB0118

- (ii) a licensed child-care facility or preschool;
 - (iii) a trade or technical school;
 - (iv) a church;
 - (v) a public library;
 - (vi) a public playground;
 - (vii) a public park;
 - (viii) a youth center or other space used primarily for youth oriented activities;
 - (ix) a public recreational facility;
 - (x) a public arcade; or
 - (xi) for a new license issued on or after July 1, 2018, a homeless shelter.
- (b) "Department" means the Department of Health, created in Section 26-1-4.

(c) "Electronic cigarette product" means the same as that term is defined in Section 59-14-802.

(~~f~~~~c~~~~d~~) (i) "Flavored ~~f~~~~tobacco~~~~}~~electronic cigarette product" means ~~f~~~~a~~~~tobacco~~~~}~~an electronic cigarette product that has a taste or smell that is distinguishable by an ordinary consumer either before or during use or consumption of the ~~f~~~~tobacco~~~~}~~electronic cigarette product.

(ii) "Flavored ~~f~~~~tobacco~~~~}~~electronic cigarette product" includes ~~f~~~~a~~~~tobacco~~~~}~~an electronic cigarette product that has a taste or smell of any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, mint, menthol, or spice.

(iii) "Flavored ~~f~~~~tobacco~~~~}~~electronic cigarette product" does not include ~~f~~~~a~~~~tobacco~~~~}~~an electronic cigarette product that ~~f~~:

~~(A) ~~f~~ has a taste or smell of only tobacco ~~f~~; or~~

~~(B) has a taste or smell of only menthol and is not an electronic cigarette product as that term is defined in Section 59-14-802.~~

(~~e~~) (~~f~~~~d~~~~e~~) "Local health department" means the same as that term is defined in Section 26A-1-102.

(~~d~~) (~~f~~~~e~~~~f~~) "Permittee" means a person licensed under this section to conduct business as a retail tobacco specialty business.

(~~e~~) (~~f~~~~f~~~~g~~) "Retail tobacco specialty business" means a commercial establishment in which:

HB0118S01 compared with HB0118

(i) the sale of tobacco products accounts for more than 35% of the total quarterly gross receipts for the establishment;

(ii) 20% or more of the public retail floor space is allocated to the offer, display, or storage of tobacco products;

(iii) 20% or more of the total shelf space is allocated to the offer, display, or storage of tobacco products; ~~or~~

(iv) the retail space features a self-service display for tobacco products~~[-]; or~~

~~(v) any flavored tobacco~~ electronic cigarette product is sold.

~~(f)~~ ~~(g)~~ (h) "Self-service display" means the same as that term is defined in Section 76-10-105.1.

~~(g)~~ ~~(h)~~ (i) "Tobacco product" means:

(i) any cigar, cigarette, or electronic cigarette, as those terms are defined in Section 76-10-101;

(ii) a tobacco product, as that term is defined in Section 59-14-102, including:

(A) chewing tobacco; or

(B) any substitute for a tobacco product, including flavoring or additives to tobacco;

and

(iii) tobacco paraphernalia, as that term is defined in Section 76-10-104.1.

(2) The regulation of a retail tobacco specialty business is an exercise of the police powers of the state, and through delegation, to other governmental entities.

(3) (a) A person may not operate a retail tobacco specialty business in a municipality unless the person obtains a license from the municipality in which the retail tobacco specialty business is located.

(b) A municipality may only issue a retail tobacco specialty business license to a person if the person complies with the provisions of Subsections (4) and (5).

(4) (a) Except as provided in Subsection (7), a municipality may not issue a license for a person to conduct business as a retail tobacco specialty business if the retail tobacco specialty business is located within:

(i) 1,000 feet of a community location;

(ii) 600 feet of another retail tobacco specialty business; or

(iii) 600 feet from property used or zoned for:

HB0118S01 compared with HB0118

(A) agriculture use; or

(B) residential use.

(b) For purposes of Subsection (4)(a), the proximity requirements shall be measured in a straight line from the nearest entrance of the retail tobacco specialty business to the nearest property boundary of a location described in Subsections (4)(a)(i) through (iii), without regard to intervening structures or zoning districts.

(5) (a) Except as provided in Subsection (5)(b), beginning July 1, 2018, a municipality may not issue or renew a license for a person to conduct business as a retail tobacco specialty business until the person provides the municipality with proof that the retail tobacco specialty business has:

(i) a valid permit for a retail tobacco specialty business issued under Title 26, Chapter 62, Tobacco Retail Permit, by the local health department having jurisdiction over the area in which the retail tobacco specialty business is located; and

(ii) a valid license to sell tobacco products from the State Tax Commission.

(b) A person that was licensed to conduct business as a retail tobacco specialty business in a municipality before July 1, 2018, shall obtain a permit from a local health department under Title 26, Chapter 62, Tobacco Retail Permit, on or before January 1, 2019.

(6) (a) Nothing in this section:

(i) requires a municipality to issue a retail tobacco specialty business license; or

(ii) prohibits a municipality from adopting more restrictive requirements on a person seeking a license or renewal of a license to conduct business as a retail tobacco specialty business.

(b) A municipality may suspend or revoke a retail tobacco specialty business license issued under this section:

(i) if a licensee engages in a pattern of unlawful activity under Title 76, Chapter 10, Part 16, Pattern of Unlawful Activity Act;

(ii) if a licensee violates the regulations restricting the sale and distribution of cigarettes and smokeless tobacco to protect children and adolescents issued by the United States Food and Drug Administration, 21 C.F.R. Part 1140;

(iii) upon the recommendation of the department or a local health department under Title 26, Chapter 62, Tobacco Retail Permit; or

HB0118S01 compared with HB0118

(iv) under any other provision of state law or local ordinance.

(7) (a) In accordance with Subsection (7)(b), a retail tobacco specialty business that has a business license and is operating in a municipality in accordance with all applicable laws except for the requirement in Subsection (4), on or before December 31, 2015, is exempt from Subsection (4).

(b) A retail tobacco specialty business may maintain an exemption under Subsection (7)(a) if:

(i) the retail tobacco specialty business license is renewed continuously without lapse or permanent revocation;

(ii) the retail tobacco specialty business does not close for business or otherwise suspend the sale of tobacco products for more than 60 consecutive days;

(iii) the retail tobacco specialty business does not substantially change the business premises or business operation; and

(iv) the retail tobacco specialty business maintains the right to operate under the terms of other applicable laws, including:

(A) Title 26, Chapter 38, Utah Indoor Clean Air Act;

(B) zoning ordinances;

(C) building codes; and

(D) the requirements of a retail tobacco specialty business license issued before December 31, 2015.

Section 2. Section **17-50-333** is amended to read:

17-50-333. Regulation of retail tobacco specialty business.

(1) As used in this section:

(a) "Community location" means:

(i) a public or private kindergarten, elementary, middle, junior high, or high school;

(ii) a licensed child-care facility or preschool;

(iii) a trade or technical school;

(iv) a church;

(v) a public library;

(vi) a public playground;

(vii) a public park;

HB0118S01 compared with HB0118

(viii) a youth center or other space used primarily for youth oriented activities;

(ix) a public recreational facility;

(x) a public arcade; or

(xi) for a new license issued on or after July 1, 2018, a homeless shelter.

(b) "Department" means the Department of Health, created in Section 26-1-4.

(c) "Electronic cigarette product" means the same as that term is defined in Section 59-14-802.

~~(c)~~ (d) (i) "Flavored ~~tobacco~~ electronic cigarette product" means ~~a tobacco~~ an electronic cigarette product that has a taste or smell that is distinguishable by an ordinary consumer either before or during use or consumption of the ~~tobacco~~ electronic cigarette product.

(ii) "Flavored ~~tobacco~~ electronic cigarette product" includes ~~a tobacco~~ an electronic cigarette product that has a taste or smell of any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, mint, menthol, or spice.

(iii) "Flavored ~~tobacco~~ electronic cigarette product" does not include ~~a tobacco product that:~~

~~— (A) has a taste or smell of only tobacco; or~~

~~— (B) has a taste or smell of only menthol and is not} an electronic cigarette product {as } that {term is defined in Section 59-14-802} has a taste or smell of only electronic cigarette.~~

~~(e)~~ ~~(d)~~ (e) "Licensee" means a person licensed under this section to conduct business as a retail tobacco specialty business.

~~(d)~~ ~~(e)~~ (f) "Local health department" means the same as that term is defined in Section 26A-1-102.

~~(e)~~ ~~(f)~~ (g) "Retail tobacco specialty business" means a commercial establishment in which:

(i) the sale of tobacco products accounts for more than 35% of the total quarterly gross receipts for the establishment;

(ii) 20% or more of the public retail floor space is allocated to the offer, display, or storage of tobacco products;

(iii) 20% or more of the total shelf space is allocated to the offer, display, or storage of tobacco products; [or]

HB0118S01 compared with HB0118

(iv) the retail space features a self-service display for tobacco products~~[-]; or~~

(v) any flavored ~~tobacco~~ electronic cigarette product is sold.

~~(f)~~ ~~(g)~~ (h) "Self-service display" means the same as that term is defined in Section 76-10-105.1.

~~(g)~~ ~~(h)~~ (i) "Tobacco product" means:

(i) any cigar, cigarette, or electronic cigarette as those terms are defined in Section 76-10-101;

(ii) a tobacco product as that term is defined in Section 59-14-102, including:

(A) chewing tobacco; or

(B) any substitute for a tobacco product, including flavoring or additives to tobacco;

and

(iii) tobacco paraphernalia as that term is defined in Section 76-10-104.1.

(2) The regulation of a retail tobacco specialty business is an exercise of the police powers of the state, and through delegation, to other governmental entities.

(3) (a) A person may not operate a retail tobacco specialty business in a county unless the person obtains a license from the county in which the retail tobacco specialty business is located.

(b) A county may only issue a retail tobacco specialty business license to a person if the person complies with the provisions of Subsections (4) and (5).

(4) (a) Except as provided in Subsection (7), a county may not issue a license for a person to conduct business as a retail tobacco specialty business if the retail tobacco specialty business is located within:

(i) 1,000 feet of a community location;

(ii) 600 feet of another retail tobacco specialty business; or

(iii) 600 feet from property used or zoned for:

(A) agriculture use; or

(B) residential use.

(b) For purposes of Subsection (4)(a), the proximity requirements shall be measured in a straight line from the nearest entrance of the retail tobacco specialty business to the nearest property boundary of a location described in Subsections (4)(a)(i) through (iii), without regard to intervening structures or zoning districts.

HB0118S01 compared with HB0118

(5) (a) Except as provided in Subsection (5)(b), beginning July 1, 2018, a county may not issue or renew a license for a person to conduct business as a retail tobacco specialty business until the person provides the county with proof that the retail tobacco specialty business has:

(i) a valid permit for a retail tobacco specialty business issued under Title 26, Chapter 62, Tobacco Retail Permit, by the local health department having jurisdiction over the area in which the retail tobacco specialty business is located; and

(ii) a valid license to sell tobacco products from the State Tax Commission.

(b) A person that was licensed to conduct business as a retail tobacco specialty business in a county before July 1, 2018, shall obtain a permit from a local health department under Title 26, Chapter 62, Tobacco Retail Permit, on or before January 1, 2019.

(6) (a) Nothing in this section:

(i) requires a county to issue a retail tobacco specialty business license; or

(ii) prohibits a county from adopting more restrictive requirements on a person seeking a license or renewal of a license to conduct business as a retail tobacco specialty business.

(b) A county may suspend or revoke a retail tobacco specialty business license issued under this section:

(i) if a licensee engages in a pattern of unlawful activity under Title 76, Chapter 10, Part 16, Pattern of Unlawful Activity Act;

(ii) if a licensee violates the regulations restricting the sale and distribution of cigarettes and smokeless tobacco to protect children and adolescents issued by the United States Food and Drug Administration, 21 C.F.R. Part 1140;

(iii) upon the recommendation of the department or a local health department under Title 26, Chapter 62, Tobacco Retail Permit; or

(iv) under any other provision of state law or local ordinance.

(7) (a) In accordance with Subsection (7)(b), a retail tobacco specialty business that has a business license and is operating in a county in accordance with all applicable laws except for the requirement in Subsection (4), on or before December 31, 2015, is exempt from Subsection (4).

(b) A retail tobacco specialty business may maintain an exemption under Subsection (7)(a) if:

HB0118S01 compared with HB0118

(i) the retail tobacco specialty business license is renewed continuously without lapse or permanent revocation;

(ii) the retail tobacco specialty business does not close for business or otherwise suspend the sale of tobacco products for more than 60 consecutive days;

(iii) the retail tobacco specialty business does not substantially change the business premises or business operation; and

(iv) the retail tobacco specialty business maintains the right to operate under the terms of other applicable laws, including:

(A) Title 26, Chapter 38, Utah Indoor Clean Air Act;

(B) zoning ordinances;

(C) building codes; and

(D) the requirements of a retail tobacco specialty business license issued before December 31, 2015.

Section 3. Section 26-57-103 is amended to read:

26-57-103. Electronic cigarette products -- Labeling -- Manufacturing and quality control standards -- Advertising.

(1) The department shall, in consultation with a local health department, as defined in Section 26A-1-102, and with input from members of the public, establish, no later than January 1, 2016, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, standards for electronic cigarette substance:

(a) labeling;

(b) nicotine content;

(c) packaging; and

(d) product quality.

~~[(2) The standards established by the department under Subsection (1) do not apply to a manufacturer sealed electronic cigarette substance.]~~

~~—(3)—~~

(2) On or before January 1, 2021, the department shall, in consultation with a local health department, as defined in Section 26A-1-102, and with input from members of the public, establish by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, standards for manufacturer sealed electronic cigarette substance:

HB0118S01 compared with HB0118

(a) labeling;

(b) nicotine content;

(c) packaging; and

(d) product quality.

(3) (a) Beginning on July 1, 2016, a person may not sell an electronic cigarette substance unless the electronic cigarette substance complies with the standards established by the department under Subsection (1).

(b) Beginning July 1, 2021, a person may not sell ~~an~~ a manufacturer sealed electronic cigarette substance unless the manufacturer sealed electronic cigarette substance complies with the standards established by the department under Subsection ~~(1)~~ (2).

(4) (a) Beginning on July 1, 2016, a local health department may not enact a rule or regulation regarding electronic cigarette substance labeling, nicotine content, packaging, or product quality that is not ~~identical to~~ at least as stringent as the standards established by the department under ~~Subsection (1)~~ Subsections (1) and (2).

(b) ~~Except as provided in Subsection (4)(c), a~~ A local health department may enact a rule or regulation regarding electronic cigarette substance manufacturing.

~~(c) A local health department may not enact a rule or regulation regarding a manufacturer sealed electronic cigarette substance.~~

(5) Beginning on July 1, 2016, a person may not advertise an electronic cigarette product:

(a) as a tobacco cessation device;

(b) if the person is not licensed to sell an electronic cigarette product under Section 59-14-803; or

(c) during a period of time when the person's license to sell an electronic cigarette product under Section 59-14-803 has been suspended or revoked.

Section ~~3~~ 4. Section **26-62-206** is enacted to read:

26-62-206. Permit requirements for the sale of tobacco products.

(1) A tobacco retailer shall:

(a) for each sale of a tobacco product, provide the customer with an itemized receipt for each sale of a tobacco product that ~~shows~~ separately identifies:

(i) the name of the tobacco product;

HB0118S01 compared with HB0118

(ii) the amount charged for each tobacco product; and

(iii) the time and date of the sale; and

(b) maintain an itemized transaction log for each sale of a tobacco product that

~~shows~~ separately identifies:

(i) the name of the tobacco product;

(ii) the amount charged for ~~the~~ each tobacco product; and

(iii) the date and time of the sale.

(2) The itemized transaction log described in Subsection (1)(b) shall be:

(a) maintained for at least ~~two years~~ one year from the date of ~~the sale of~~ each transaction in the ~~tobacco product~~ itemized transaction log; and

(b) made available to an enforcing agency or peace officer at the request of the enforcing agency or peace officer~~.~~

~~Section 4~~ that is no less restrictive than the provisions in this part.

Section 5. Section 76-10-105.1 (Superseded 07/01/20) is amended to read:

76-10-105.1 (Superseded 07/01/20). Requirement of direct, face-to-face sale of cigarettes, tobacco, and electronic cigarettes -- Minors not allowed in tobacco specialty shop -- Penalties.

(1) As used in this section:

(a) "Cigarette" means the same as that term is defined in Section 59-14-102.

(b) (i) "Face-to-face exchange" means a transaction made in person between an individual and a retailer or retailer's employee.

(ii) "Face-to-face exchange" does not include a sale through a:

(A) vending machine; or

(B) self-service display.

(c) (i) "Flavored electronic cigarette" means an electronic cigarette that has a taste or smell that is distinguishable by an ordinary consumer either before or during use or consumption of the electronic cigarette.

(ii) "Flavored electronic cigarette" includes an electronic cigarette that has a taste or smell of any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, menthol, or spice.

(iii) "Flavored electronic cigarette" does not include an electronic cigarette that has a

HB0118S01 compared with HB0118

taste or smell of only tobacco.

~~(c)~~ (d) "Retailer" means a person who:

(i) sells a cigarette, tobacco, or an electronic cigarette to an individual for personal consumption; or

(ii) operates a facility with a vending machine that sells a cigarette, tobacco, or an electronic cigarette.

~~(d)~~ (e) "Self-service display" means a display of a cigarette, tobacco, or an electronic cigarette to which the public has access without the intervention of a retailer or retailer's employee.

~~(e)~~ (f) "Tobacco" means any product, except a cigarette, made of or containing tobacco.

~~(f)~~ (g) "Tobacco specialty shop" means a "retail tobacco specialty business" as that term is defined:

(i) as it relates to a municipality, in Section 10-8-41.6; and

(ii) as it relates to a county, in Section 17-50-333.

(2) Except as provided in Subsection (3), a retailer may sell a cigarette, tobacco, or an electronic cigarette only in a face-to-face exchange.

(3) The face-to-face sale requirement in Subsection (2) does not apply to:

(a) a mail-order, telephone, or Internet sale made in compliance with Section 59-14-509;

(b) a sale from a vending machine or self-service display that is located in an area of a retailer's facility:

(i) that is distinct and separate from the rest of the facility; and

(ii) where the retailer only allows an individual who complies with Subsection (4) to be present; or

(c) a sale at a tobacco specialty shop.

(4) An individual who is less than 19 years old may not enter or be present at a tobacco specialty shop unless the individual is:

(a) accompanied by a parent or legal guardian;

(b) present at the tobacco shop for a bona fide commercial purpose other than to purchase a cigarette, tobacco, or an electronic cigarette; or

HB0118S01 compared with HB0118

(c) 18 years old or older and an active duty member of the United States Armed Forces, as demonstrated by a valid, government-issued military identification card.

(5) A parent or legal guardian who accompanies, under Subsection (4)(a), an individual into an area described in Subsection (3)(b), or into a tobacco specialty shop, may not allow the individual to purchase a cigarette, tobacco, or an electronic cigarette.

(6) A violation of Subsection (2) or (4) is a:

(a) class C misdemeanor on the first offense;

(b) class B misdemeanor on the second offense; and

(c) class A misdemeanor on the third and all subsequent offenses.

(7) An individual who violates Subsection (5) is guilty of providing tobacco to a minor under Section 76-10-104.

(8) (a) [~~Any~~] An ordinance, regulation, or rule adopted by the governing body of a political subdivision of the state or by a state agency that affects the sale, placement, or display of cigarettes, tobacco, or electronic cigarettes that is not essentially identical to [~~the provisions of~~] this section and Section 76-10-102 is superseded.

(b) Subsection (8)(a) does not apply to:

(i) the adoption or enforcement of a land use ordinance by a municipal or county government[.]; and

(ii) an ordinance, regulation, or rule relating to the sale, placement of a flavored electronic cigarette.

Section 6. Section 76-10-105.1 (Effective 07/01/20) is amended to read:

76-10-105.1 (Effective 07/01/20). Requirement of direct, face-to-face sale of cigarettes, tobacco, and electronic cigarettes -- Minors not allowed in tobacco specialty shop -- Penalties.

(1) As used in this section:

(a) "Cigarette" means the same as that term is defined in Section 59-14-102.

(b) (i) "Face-to-face exchange" means a transaction made in person between an individual and a retailer or retailer's employee.

(ii) "Face-to-face exchange" does not include a sale through a:

(A) vending machine; or

(B) self-service display.

HB0118S01 compared with HB0118

(c) (i) "Flavored electronic cigarette" means an electronic cigarette that has a taste or smell that is distinguishable by an ordinary consumer either before or during use or consumption of the electronic cigarette.

(ii) "Flavored electronic cigarette" includes an electronic cigarette that has a taste or smell of any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, herb, menthol, or spice.

(iii) "Flavored electronic cigarette" does not include an electronic cigarette that has a taste or smell of only tobacco.

~~(c)~~ (d) "Retailer" means a person who:

(i) sells a cigarette, tobacco, or an electronic cigarette to an individual for personal consumption; or

(ii) operates a facility with a vending machine that sells a cigarette, tobacco, or an electronic cigarette.

~~(d)~~ (e) "Self-service display" means a display of a cigarette, tobacco, or an electronic cigarette to which the public has access without the intervention of a retailer or retailer's employee.

~~(e)~~ (f) "Tobacco" means any product, except a cigarette, made of or containing tobacco.

~~(f)~~ (g) "Tobacco specialty shop" means a "retail tobacco specialty business" as that term is defined:

(i) as it relates to a municipality, in Section 10-8-41.6; and

(ii) as it relates to a county, in Section 17-50-333.

(2) Except as provided in Subsection (3), a retailer may sell a cigarette, tobacco, or an electronic cigarette only in a face-to-face exchange.

(3) The face-to-face sale requirement in Subsection (2) does not apply to:

(a) a mail-order, telephone, or Internet sale made in compliance with Section 59-14-509;

(b) a sale from a vending machine or self-service display that is located in an area of a retailer's facility:

(i) that is distinct and separate from the rest of the facility; and

(ii) where the retailer only allows an individual who complies with Subsection (4) to be

HB0118S01 compared with HB0118

present; or

(c) a sale at a tobacco specialty shop.

(4) (a) An individual who is less than the age specified in Subsection (4)(b) may not enter or be present at a tobacco specialty shop unless the individual is:

(i) accompanied by a parent or legal guardian;

(ii) present at the tobacco shop for a bona fide commercial purpose other than to purchase a cigarette, tobacco, or an electronic cigarette; or

(iii) 18 years old or older and an active duty member of the United States Armed Forces, as demonstrated by a valid, government-issued military identification card.

(b) For purposes of Subsection (4)(a), the individual is younger than:

(i) beginning July 1, 2020, and ending June 30, 2021, 20 years old; and

(ii) beginning July 1, 2021, 21 years old.

(5) A parent or legal guardian who accompanies, under Subsection (4)(a)(i), an individual into an area described in Subsection (3)(b), or into a tobacco specialty shop, may not allow the individual to purchase a cigarette, tobacco, or an electronic cigarette.

(6) A violation of Subsection (2) or (4) is a:

(a) class C misdemeanor on the first offense;

(b) class B misdemeanor on the second offense; and

(c) class A misdemeanor on the third and all subsequent offenses.

(7) An individual who violates Subsection (5) is guilty of providing tobacco to a minor under Section 76-10-104.

(8) (a) An ordinance, regulation, or rule adopted by the governing body of a political subdivision of the state or by a state agency that affects the sale, minimum age of sale, placement, or display of cigarettes, tobacco, or electronic cigarettes that is not essentially identical to this section and Section 76-10-102 is superseded.

(b) Subsection (8)(a) does not apply to:

(i) the adoption or enforcement of a land use ordinance by a municipal or county government[-]; and

(ii) an ordinance, regulation, or rule relating to the sale, placement of a flavored electronic cigarette.

Section 7. Section **76-10-111** is amended to read:

HB0118S01 compared with HB0118

76-10-111. Prohibition of gift or free distribution of smokeless tobacco or electronic cigarettes -- Exceptions.

(1) The Legislature finds that:

(a) smokeless tobacco, or chewing tobacco, is harmful to the health of individuals who use those products because research indicates that they may cause mouth or oral cancers;

(b) the use of smokeless tobacco among juveniles in this state is increasing rapidly;

(c) the use of electronic cigarettes may lead to unhealthy behavior such as the use of tobacco products; and

(d) it is necessary to restrict the gift of the products described in this Subsection (1) in the interest of the health of the citizens of this state.

(2) (a) Except as provided in Subsection (3), it is unlawful for a manufacturer, wholesaler, and retailer to:

(i) give or distribute without charge any smokeless tobacco, chewing tobacco, or electronic cigarette in this state[-];

(ii) except as provided in Subsection (2)(b), sell, offer for sale, or furnish any smokeless tobacco, chewing tobacco, or electronic cigarette at less than 90% of the cost of the product to the manufacturer, wholesaler, or retailer; or

(iii) give, distribute, sell, offer for sale, or furnish any smokeless tobacco, chewing tobacco, or electronic cigarette for free or at a lower price because the purchaser makes another purchase.

(b) The price that a manufacturer, wholesaler, or retailer may charge under Subsection (2)(a)(ii) does not include a discount for:

(i) a manufacturer coupon:

(A) that is surrendered to the tobacco retailer at the time of sale; and

(B) for which the manufacturer will reimburse the wholesaler or retailer for the full amount of the discount described in the manufacturer coupon and provided to the purchaser;

(ii) a rebate that will be paid to the manufacturer, wholesaler, or retailer for the full amount of the rebate provided to the purchaser; or

(iii) a promotional fund that will be paid to the manufacturer, wholesaler, or retailer for the full amount of the promotional fund provided to the purchaser.

(c) Any person who violates this section is guilty of a class C misdemeanor for the first

HB0118S01 compared with HB0118

offense, and is guilty of a class B misdemeanor for any subsequent offense.

(3) ~~[(a)]~~ Smokeless tobacco, chewing tobacco, or an electronic cigarette may be distributed to adults without charge at professional conventions where the general public is excluded.

~~[(b) Subsection (2) does not apply to a retailer, manufacturer, or distributor who gives smokeless tobacco, chewing tobacco, or an electronic cigarette to a person of legal age upon the person's purchase of another tobacco product or electronic cigarette.]~~

Section ~~{5}~~8. Section 76-10-112 is amended to read:

76-10-112. Prohibition of distribution of cigarettes or other tobacco products --

Exceptions.

(1) (a) Except as provided in Subsection ~~[(2)]~~ (3), it is unlawful for a manufacturer, wholesaler, or retailer to:

(i) give or distribute cigarettes or other tobacco products in this state without charge[.];

(ii) except as provided in Subsection (2)(b), sell, offer for sale, or furnish any ~~{smokeless tobacco, chewing tobacco, or electronic cigarette}~~cigarettes or other tobacco products at less than the cost of the product to the manufacturer, wholesaler, or retailer; or

(iii) give, distribute, sell, offer for sale, or furnish any ~~{smokeless tobacco, chewing tobacco, or electronic cigarette}~~cigarettes or other tobacco products for free or at a lower price because the purchaser makes another purchase.

(b) The price that a manufacturer, wholesaler, or retailer may charge under Subsection (2)(a)(ii) does not include a discount for:

(i) a manufacturer coupon:

(A) that is surrendered to the tobacco retailer at the time of sale; and

(B) for which the manufacturer will reimburse the wholesaler or retailer for the full amount of the discount described in the manufacturer coupon and provided to the purchaser;

(ii) a rebate that will be paid to the manufacturer, wholesaler, or retailer for the full amount of the rebate provided to the purchaser; or

(iii) a promotional fund that will be paid to the manufacturer, wholesaler, or retailer for the full amount of the promotional fund provided to the purchaser.

(2) Any person who violates this ~~[subsection]~~ section is guilty of a class C misdemeanor for the first offense and a class B misdemeanor for any subsequent offense.

HB0118S01 compared with HB0118

~~[(2)]~~ (3) Cigarettes and other tobacco products may be distributed to adults without charge at professional conventions where the general public is excluded.

~~[(3) The prohibition described in Subsection (1) does not apply to retailers, manufacturers, or distributors who give cigarettes or other tobacco products to persons of legal age upon their purchase of cigarettes or other tobacco products.]~~

Section 9. Coordinating H.B. 118 with S.B. 37 -- Technical amendments.

If this H.B. 118 and S.B. 37, Electronic Cigarette and Other Nicotine Product Amendments, both pass and become law, it is the intent of the Legislature that the Office of Legislative Research and General Counsel shall prepare the Utah Code database for publication by amending:

(1) Subsection 10-8-41.6(1)(c) to read:

"(c) "Electronic cigarette product" means the same as that term is defined in Section 76-10-101."; and

(2) Subsection 17-50-333(1)(c) to read:

"(c) "Electronic cigarette product" means the same as that term is defined in Section 76-10-101."