

2016 -- S 2323

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LC003191
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO HEALTH AND SAFETY -- DEPARTMENT OF HEALTH

Introduced By: Senators Miller, Ruggerio, Walaska, and Lynch Prata

Date Introduced: February 09, 2016

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 23-1-56 of the General Laws in Chapter 23-1 entitled "Department
2 of Health" is hereby amended to read as follows:

3 **23-1-56. License. --** (a) Each person engaging in the business of selling electronic
4 nicotine-delivery system products in the state, including any distributor or dealer, shall secure a
5 license annually from the department before engaging in that business or continuing to engage in
6 it. A separate application and license is required for each place of business operated by a
7 distributor or dealer. If the applicant for a license does not have a place of business in this state,
8 the license shall be issued for such applicant's principal place of business, wherever located. A
9 licensee shall notify the department within thirty (30) days in the event that it changes its
10 principal place of business. A separate license is required for each class of business if the
11 applicant is engaged in more than one of the activities required to be licensed by this section. No
12 person shall maintain or operate, or cause to be operated, a vending machine for electronic
13 nicotine-delivery systems without procuring a dealer's license for each machine.

14 (b) The director shall have authority to set a reasonable fee not to exceed twenty-five
15 dollars (\$25.00) for the issuance of the license.

16 (c) Each issued license shall be prominently displayed on the premises, if any, covered
17 by the license.

18 (d) The director shall create and maintain a website setting forth the identity of all
19 licensed persons under this section, itemized by type of license possessed, and shall update the

1 site no less frequently than six (6) times per year.

2 (e) A manufacturer or importer may sell or distribute electronic nicotine-delivery
3 systems to a person located or doing business within the state only if such person is a licensed
4 distributor. An importer may obtain electronic nicotine-delivery systems only from a licensed
5 manufacturer. A distributor may sell or distribute electronic nicotine-delivery systems to a person
6 located or doing business within this state only if such person is a licensed distributor or dealer. A
7 distributor may obtain electronic nicotine-delivery systems only from a licensed manufacturer,
8 importer, or distributor. A dealer may obtain electronic nicotine-delivery systems only from a
9 licensed distributor.

10 (f) (1) No license under this chapter may be granted, maintained, or renewed if the
11 applicant, or any combination of persons owning directly or indirectly any interests in the
12 applicant:

13 (i) Is delinquent in any tax filings for one month or more; or

14 (ii) Had a license under this chapter revoked within the past two (2) years.

15 (2) No person shall apply for a new license, or renewal of a license and no license shall
16 be issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to
17 any license held by that person have been paid.

18 (3) No license shall be issued relating to a business at any specific location until all prior
19 licenses relating to that location have been officially terminated and all fines, fees, or charges
20 relating to the prior licenses have been paid or otherwise resolved or if the director has found that
21 the person applying for the new license is not acting as an agent for the prior licensee who is
22 subject to any such related fines, fees, or charges that are still due. Evidence of such agency status
23 includes, but is not limited to, a direct familial relationship and/or employment, contractual, or
24 other formal financial or business relationship with the prior licensee.

25 (4) No person shall apply for a new license pertaining to a specific location in order to
26 evade payment of any fines, fees, or other charges relating to a prior license for that location.

27 (5) No new license shall be issued for a business at a specific location for which a license
28 has already issued unless there is a bona fide, good-faith change in ownership of the business at
29 that location.

30 (6) No license or permit shall be issued, renewed or maintained for any person, including
31 the owners of the business being licensed, who has been convicted of violating any criminal law
32 relating to tobacco products and/or electronic nicotine-delivery system products, the payment of
33 taxes, or fraud, or has been ordered to pay civil fines of more than twenty-five thousand dollars
34 (\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine-

1 delivery system products, the payment of taxes, or fraud.

2 [\(7\) No license or permit for the business of selling electronic nicotine-delivery system](#)
3 [products as defined in §11-9-13.4 shall be issued, renewed or maintained in this state for any](#)
4 [person, including the owners of the business being licensed, who has not secured a license for](#)
5 [cigarette products.](#)

6 SECTION 2. Section 44-20-2 of the General Laws in Chapter 44-20 entitled "Cigarette
7 Tax" is hereby amended to read as follows:

8 **44-20-2. Importer, distributor, and dealer licenses required -- Licenses required. --**

9 Each person engaging in the business of selling cigarette and/or any tobacco products in this state,
10 including any distributor or dealer, shall secure a license from the administrator before engaging
11 in that business, or continuing to engage in it. A separate application and license is required for
12 each place of business operated by a distributor or dealer; provided, that an operator of vending
13 machines for cigarette products is not required to obtain a distributor's license for each machine.
14 If the applicant for a license does not have a place of business in this state, the license shall be
15 issued for such applicant's principal place of business, wherever located. A licensee shall notify
16 the administrator within thirty (30) days in the event that it changes its principal place of
17 business. A separate license is required for each class of business if the applicant is engaged in
18 more than one of the activities required to be licensed by this section. No person shall maintain or
19 operate or cause to be operated a vending machine for cigarette products without procuring a
20 dealer's license for each machine; [provided, that no person shall engage in the business of selling](#)
21 [electronic nicotine-delivery systems as defined in §11-9-13.4 without first securing a license to](#)
22 [sell cigarette and/or tobacco products in this state.](#)

23 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO HEALTH AND SAFETY -- DEPARTMENT OF HEALTH

- 1 This act would prohibit the sale of electronic nicotine-delivery systems without having a
- 2 license to sell cigarettes and/or tobacco products.
- 3 This act would take effect upon passage.

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