

HB 3206 -- TOBACCO PRODUCTS

SPONSOR: Roberts

This bill modifies provisions related to the regulation of certain tobacco products, alternative nicotine products, and vapor products.

DEFINITIONS -- CIGARETTE TAX (Section 149.011)

This bill creates new definitions for the terms "alternative nicotine product", "nicotine analogue", and "vapor product".

WHOLESALE LICENSE (Section 149.035)

Currently, every wholesaler of cigarettes or tobacco products and every person making a first sale of tobacco products who does not have a wholesaler license must secure such a license from the Department of Revenue. This bill adds alternative nicotine products and vapor products to the list of products for which wholesalers or persons making a first sale of such products must secure a license from the Department.

TOBACCO PRODUCTS MANUFACTURER LICENSE (Section 149.036)

On or before February 15th of each year, every manufacturer of cigarettes, alternative nicotine products, vapor products, or tobacco products must secure a tobacco products manufacturer license from the Department and pay an annual fee of \$1,000.

VAPOR PRODUCTS MANUFACTURER LICENSE (Section 149.037)

Every manufacturer of vapor products must secure a vapor product manufacturer license from the Department. The application for a license must include certain information, as specified in the bill. The applicant must pay a \$100 fee for each type or model of vapor product included on its list of certified products and cannot sell vapor products that have not been certified without first following certain procedures, as specified in the bill. The Director of the Department must maintain a list of all certified vapor products. Beginning September 1, 2026, vapor products not included on the list will not be sold.

NONRESIDENT OR FOREIGN MANUFACTURER OF VAPOR PRODUCTS (Section 149.038)

Any nonresident manufacturer of vapor products that has not registered as a foreign corporation must appoint an agent to receive process servicing of legal actions before receiving a manufacturer license. The Department will require certain information, notifications, and surety bonds before licensing, as specified in the bill.

APPROVED PURCHASES (Section 149.039)

Wholesalers and retailers may purchase cigarettes, alternative nicotine products, vapor products, and tobacco products only from manufacturers and wholesalers who have obtained proper licensing. Manufacturers and wholesalers may sell cigarettes, alternative nicotine products, vapor products, and tobacco products only to manufacturers and wholesalers who have obtained proper licensing. Confirmation of valid licensing must be done before the purchase or sale of the products; any such products sold without proper licensing will be considered contraband and may be seized and destroyed.

TOBACCO PRODUCTS TAX (Section 149.160)

Currently, a tax is levied on the first sale of tobacco products other than cigarettes. Beginning January 1, 2027, this tax will include alternative nicotine products and vapor products.

PENALTIES FOR UNLICENSED ENTITIES (Section 149.190)

Currently, the Department may conduct an investigation into whether a person not possessing a valid tobacco products license sold tobacco products at retail when such products were not purchased from a licensed wholesaler and the Department will assess appropriate penalties. This provision applies to persons not possessing a valid manufacturer or wholesaler license, tobacco retail license, or any other license required by the Department and who is selling tobacco products, alternative nicotine products, vapor products within the state and to any person who possesses a valid license or licenses and is selling these products at retail within the state.

REDUCING TOBACCO USE BY MINORS (Section 407.924)

Currently, the Division of Alcohol and Tobacco, within the Department of Public Safety, administers programs to reduce tobacco possession by minors. This bill includes all tobacco products, alternative nicotine products, and vapor products to reduce possession and use by minors.

DEFINITIONS -- TOBACCO SALES TO MINORS (Section 407.925)

This bill creates a new definition for the term "nicotine analogue" and adds to the existing definition for "vapor product".

AGE RESTRICTIONS (Section 407.926)

Currently, alternative nicotine and vapor products may be sold only to persons 18 years of age or older and are subject to local and state sales tax but will not otherwise be taxed or regulated as tobacco products. This bill subjects such products to both tax and licensing requirements and ensures that alternative nicotine and vapor products are taxed and regulated as tobacco products.

REGULATIONS ON SALES (Section 407.928)

Currently, packs of cigarettes may be sold only under certain conditions. This bill includes tobacco products, alternative nicotine products, and vapor products.

REGULATION ON ADVERTISING (Section 407.930)

This bill states that no person will market, advertise, sell, or cause to be sold a "tobacco substitute", as that term is defined in the bill, that depicts cartoon characters, celebrities, or anything that appeals to minors. Tobacco substitutes may not be sold with entertainment features, games, music, or video, nor anything that contains or is mixed with cannabinoids, alcohol, or other such substances.

CRIMINAL PENALTIES (Section 407.931)

Currently, any owner of an establishment where tobacco products, alternative nicotine products, or vapor products are available for sale must not sell, provide, or distribute such products to any minor. This bill states that upon the fourth and any subsequent violations per location within two years, the Division must issue a citation prohibiting the outlet from selling tobacco products, alternative nicotine products, or vapor products for a five-day period. The owner of the establishment where the products are sold will not be penalized if the owner documents certain items, as specified in the bill.

TOBACCO RETAIL LICENSE (Section 407.934)

All persons selling, providing, or distributing tobacco products, alternative nicotine products, or vapor products must apply for a tobacco retail license from the Department. A separate license is required for each retail location and is valid for 12 months before its annual renewal for a fee of \$200. An initial inspection of the retail location within 90 days of receipt of the license will be conducted, followed by at least two unannounced inspections. The Department may deny applications for certain reasons, as specified in the bill. Any commissioned law enforcement officer may inspect such products sold by a retailer and must seize any products not in compliance with these provisions.