

ALASKA STATE LEGISLATURE

SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925



INTERIM ADDRESS
305 Center Ave, Ste 1
Kodiak, AK 99615
(907) 486-4925

Senator Gary Stevens

SENATE BILL

Increasing the Minimal Age for Tobacco and E-Cigarettes: "T-21"

SECTIONAL ANALYSIS

(version O)

- Sec. 1: AS 11.76.100(a), relating to selling or giving tobacco to a minor, raises the minimum age from 19 to 21.
- Sec. 2: AS 11.76.100(b), relating to the requirement for vendors to supervise the operation of tobacco product vending machines (TVM), amends the exemption for TVMs situated in a private break room, provided there is signage posted indicating the minimum age to possess tobacco products is age 21 (from 19).
- Sec. 3: AS 11.76.105, relating to possession of tobacco, electronic smoking products (ESP), or products containing nicotine, raises the minimum age to possess from 19 to 21 years of age, and removes the exemption for incarcerated minors.
- Sec. 4: AS 11.76.106(a), bans tobacco and ESPs sales to individuals over the internet.
- Sec. 5: AS 11.76.106(b), relating to the 'behind the counter' control provisions of selling tobacco products, allowing exemptions for wholesalers, tobacco shops or online sales, raising the minimum, age to sell from 19 to 21 years of age.
- Sec. 6: AS 11.76.109(a), relating to other products containing nicotine, including chew, gum, patches, or E-cigarette products, raises the minimum age to sell or give such products from 19 to 21.
- Sec. 7: AS 11.76.109(b), relating to exemptions to selling products containing nicotine to persons under the age of 21, if the product is FDA-approved, prescribed by a doctor, or given by a parent or legal guardian.
- Sec. 8: AS 11.76.109(d), relating to the requirement for vendors to supervise the operation of ESP or nicotine product vending machines (EVM), amends the exemption for EVMs situated in a private break room, provided there is signage posted indicating the minimum age to possess tobacco products is age 21 (from 19).

- Sec. 9: AS 11.76.109(g), relating to the penalty for selling or giving ESP or nicotine products to a minor as being a \$300 violation, raises the minimum age from 19 to 21 years of age.
- Sec. 10: AS 21.96.055 adds a new subsection, under miscellaneous provisions of state insurance law, requiring a manufacturer of ESPs sold in the state to obtain a commercial general liability insurance policy filed with the state Division of Insurance in the amount of \$10,000,000. Persons having claims against an electronic smoking product manufacturer required to file a bond may bring suit on the bond for failure to pay a liability described in AS 21.96.055.
- Sec. 11: AS 43.50.105(b), relating to wholesale tobacco sales and licensees, to restrict licensees from selling or transporting tobacco products to persons that are at least 21 (from 19) years of age, and to implement an age verification process when conducting transactions.
- Sec. 12: AS 43.50.105(c), relating to common carrier transportation of cigarettes and tobacco products, to verify the age of the recipient before delivery.
- Sec. 13: AS 43.50.150(c), relating to state being in partnership with municipalities in taxing tobacco products, is amended to include taxing ESPs.
- Sec. 14: AS 43.50.300, relating to existing state excise tax on tobacco products, is amended to include taxing ESPs at the same 75% of their wholesale value.
- Sec. 15: AS 43.50.310(b) exempts the excise tax for ESPs that are a marijuana product, and do not contain nicotine, or are FDA-approved.
- Sec. 16: AS 43.50.320(a), includes a requirement to be licensed as a distributor of ESPs for those products subject to an excise tax.
- Sec. 17: AS 43.50.320, is a new subsection prohibiting distributors from selling ESPs with flavorings, if an ESP is not clearly packaged and labelled as a tobacco product, and any ESP that resembles a household or school object.
- Sec. 18: AS 43.50.325 adds a new section in the tax code, restricting the transportation of tobacco and ESPs into the state, requiring licensing to do so, and makes clear provisions for age verification for delivery of and labelling for such products. This is a conforming amendment, replicating AS 43.50.015, which applies only to cigarettes.
- Sec. 19: AS 43.50.330(a), relating to annual reporting requirements for tax purposes, amends existing tobacco sales reporting to include ESP reporting.
- Sec. 20: AS 43.50.335, relating to existing tobacco tax credits and refunds for faulty or destroyed products, to include credits for similarly faulty or destroyed ESPs.
- Sec. 21: AS 43.50.340, relating to existing record keeping requirements for licensed businesses selling tobacco products, to also be required to track sales and product information on ESPs being sold.

- Sec. 22: AS 43.50.350 adds an exception, described in Section 23 below, to depositing of tax collected into the general fund, which may be used by the legislature to make appropriations for health care, health research, health promotion, and health education.
- Sec. 23: AS 43.50.350(b) adds a new subsection directing taxes collected on ESPs to be accounted for separately and may be appropriated by the legislature to provide for education, programs, and advertising related to the hazards of ESPs.
- Sec. 24: AS 43.50.390(1), relating to the definition of a distributor of tobacco products, to also include ESPs, for purposes of identifying business who bring ESPs in and out of state, manufactures ESPs in the state, or ships ESPs to retailers in the state.
- Sec. 25: AS 43.50.390(5), relating to the term “wholesale price” for purposes of taxing tobacco products, includes ESPs as part of wholesale pricing and taxing.
- Sec. 26: AS 43.50.390 provides a definition of “electronic smoking product” for taxing purposes, to clarify an ESP includes all its parts, but excludes batteries and chargers when sold separately.
- Sec. 27: AS 43.70.075(f), relating to business license endorsements for selling tobacco products, amends the existing requirement for signage to be posted on vendor premises, stating it being illegal to sell tobacco or ESPs to minors under the age of 21 (from 19).
- Sec. 28: AS 43.70.075(m), relating to the process for suspending business licensees holding a tobacco endorsement, amends existing statute referring to tobacco or ESPs being sold to minors under the age of 21 (from 19).
- Sec. 29: AS 43.70.075(t), relating to penalties for licensees violating the T21 laws, amends existing statute for lessening the penalties if a license holder has a written tobacco or ESPs sales policy to include employees not selling tobacco or ESPs to minors under the age of 21 (from 19).
- Sec. 30: AS 43.70.075(w), relating to the appeal and administrative process of license suspension, conforms existing law regarding tobacco and ESP sales, to apply to sales to minors under the age of 21 (from 19).
- Sec. 31: AS 45.50.471(b), relating to consumer protection and unlawful business practices, adds a new subsection making it unlawful to market or advertise ESPs to persons under the age of 21 in the state.
- Sec. 32: AS 47.12.030(b), relating to the juvenile justice system, and minors accused of possessing tobacco, confirms existing law to apply to possession by minors under the age of 21 (from 19).
- Sec. 33: AS 11.76.100(e), relating to sales exemptions for incarcerated persons, and AS 11.76.106(b)(4), relating to exemptions for ESP internet sales, are both repealed.
- Sec. 34: Relates to applicability of offenses committed on or after the effective of the bill.
- Sec. 35: Applies an effective date of January 1, 2022.