

#1

**AMENDMENT**

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE HANNAN

- 1 Page 3, line 18:
- 2 Delete "**\$300**"
- 3 Insert "**\$100**"

AMENDMENT #2

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE HANNAN

1 Page 3, line 23, following "section":

2       Insert "."

3

4 Page 3, lines 24 - 27:

5       Delete all material.

6

7 Reletter the following subsection accordingly.

8

9 Page 23, line 15:

10       Delete "AS 11.76.105(d) - (f)"

11       Insert "AS 11.76.105(d) and (e)"

AMENDMENT #3

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE STAPP

1 Page 3, line 28, following "to":

2 Insert "(1)"

3

4 Page 4, line 1, following "nicotine":

5 Insert "; or

6 (2) the possession of tobacco, an electronic smoking product, or a  
7 product containing nicotine by a person 19 or 20 years of age if the person is a  
8 member of an active component of the armed forces of the United States who  
9 possesses a valid active duty military or armed forces identification card issued by the  
10 United States Department of Defense or the United States Department of Homeland  
11 Security"

#4

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE



1 Page 8, line 8, following "products<sub>2</sub>":

2 Insert "synthetic nicotine products, nicotine substitutes,"

3

4 Page 8, line 11, following "products<sub>2</sub>":

5 Insert "synthetic nicotine products, nicotine substitutes,"

6

7 Page 8, following line 17:

8 Insert new bill sections to read:

9 **\*\* Sec. 18.** AS 43.50.300 is amended to read:

10 **Sec. 43.50.300. Excise tax levied.** An excise tax is levied on tobacco products,  
11 synthetic nicotine products, and nicotine substitutes in the state at the rate of 75  
12 percent of the wholesale price of the tobacco products. The tax is levied when a person

13 (1) brings, or causes to be brought, a tobacco product, synthetic  
14 nicotine product, or nicotine substitute into the state from outside the state for sale;

15 (2) makes, manufactures, or fabricates a tobacco product, synthetic  
16 nicotine product, or nicotine substitute in the state for sale in the state; or

17 (3) ships or transports a tobacco product, synthetic nicotine product,  
18 or nicotine substitute to a retailer in the state for sale by the retailer.

19 **\* Sec. 19.** AS 43.50.320(a) is amended to read:

20 (a) Except as provided in (g) of this section, a person must be licensed by the  
21 department if the person engages in business as a distributor for a tobacco product,  
22 synthetic nicotine product, or nicotine substitute that is subject to the tax."  
23

1 Renumber the following bill sections accordingly.

2

3 Page 8, line 19, following "**products**":

4       Insert ", **synthetic nicotine products, and nicotine substitutes**"

5

6 Page 8, line 21, following "product":

7       Insert ", synthetic nicotine product, or nicotine substitute"

8

9 Page 8, line 22, following "product":

10       Insert ", synthetic nicotine product, or nicotine substitute"

11

12 Page 9, line 2, following "product":

13       Insert ", synthetic nicotine product, or nicotine substitute"

14

15 Page 9, line 3, following "product":

16       Insert ", synthetic nicotine product, or nicotine substitute"

17

18 Page 9, line 9, following "products":

19       Insert ", synthetic nicotine products, or nicotine substitutes"

20

21 Page 9, line 13, following "product":

22       Insert ", synthetic nicotine product, or nicotine substitute"

23

24 Page 9, line 14, following "product":

25       Insert ", synthetic nicotine product, or nicotine substitute"

26

27 Page 9, line 16, following "product":

28       Insert ", synthetic nicotine product, or nicotine substitute"

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30 Page 9, line 19, following "product":

31       Insert ", synthetic nicotine product, or nicotine substitute"

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Page 9, line 23, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 9, line 25, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 9, line 29, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 9, line 30, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 9, line 31, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 10, line 2:

Delete "'tobacco product" if the tobacco product"

Insert "'product containing nicotine" if the tobacco product, synthetic nicotine product, or nicotine substitute"

Page 10, line 3, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 10, line 6, following "product":

Insert ", synthetic nicotine product, or nicotine substitute"

Page 10, following line 13:

Insert new bill sections to read:

"\* **Sec. 21.** AS 43.50.390(1) is amended to read:

(1) "distributor" means a person who

1 (A) brings, or causes to be brought, a tobacco product,  
2 **synthetic nicotine product, or nicotine substitute** into the state from outside  
3 the state for sale;

4 (B) makes, manufactures, or fabricates a tobacco product,  
5 **synthetic nicotine product, or nicotine substitute** in the state for sale in the  
6 state; or

7 (C) ships or transports a tobacco product, **synthetic nicotine**  
8 **product, or nicotine substitute** to a retailer in the state for sale by the retailer;

9 \* **Sec. 22.** AS 43.50.390(4) is amended to read:

10 (4) "tobacco product" means

- 11 (A) a cigar;
- 12 (B) a cheroot;
- 13 (C) a stogie;
- 14 (D) a perique;
- 15 (E) snuff and snuff flour;

16 (F) smoking tobacco, including granulated, plug-cut, crimp-cut,  
17 ready-rubbed, and any form of tobacco suitable for smoking in a pipe or  
18 cigarette;

19 (G) chewing tobacco, including cavendish, twist, plug, scrap,  
20 and tobacco suitable for chewing; or

21 (H) an article or product made of tobacco, [OR] a tobacco  
22 substitute, **or synthetic tobacco**, but not including a cigarette as defined in  
23 AS 43.50.170;"

24

25 Renumber the following bill sections accordingly.

26

27 Page 21, line 9:

28 Delete "sec. 24"

29 Insert "sec. 28"

30

31 Page 23, line 22:

1 Delete "sec. 18"

2 Insert "sec. 20"

3

4 Page 23, line 23:

5 Delete "sec. 19"

6 Insert "sec. 23"

7

8 Page 23, line 24:

9 Delete "sec. 26"

10 Insert "sec. 30"

11

12 Page 23, line 25:

13 Delete "19, and 25"

14 Insert "23, and 29"

15

16 Page 23, line 26:

17 Delete "sec. 29"

18 Insert "sec. 33"

AMENDMENT #5

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE Josephina

1 Page 8, line 25, following "19 U.S.C. 1555;":

2 Insert "or"

3

4 Page 8, lines 28 - 31:

5 Delete "; or

6 (4) an individual purchasing a cigar or pipe tobacco for personal  
7 consumption who is 21 years of age or older and whose age was verified at the time of  
8 purchase through a third-party verification service"

9

10 Page 9, line 16, following "unless":

11 Insert "the person

12 (1) shipping the tobacco product is licensed under this chapter and,  
13 before shipment, provides the common or contract carrier with a copy of the person's  
14 current license issued by the department and

15 (A) an affidavit from the intended recipient certifying that the  
16 person receiving the tobacco product is a person described under (b)(1) - (4) of  
17 this section; or"

18

19 Page 9, line 17:

20 Delete "(1)"

21 Insert "(B)"

22

23 Page 9, line 19:

1 Delete "the person"

2

3 Page 9, line 20:

4 Delete ", (3), or (4)"

5 Insert "or (3)"

6

7 Page 9, line 26:

8 Delete "common or contract carrier"

9 Insert "person shipping the tobacco product"

10

11 Page 9, line 30:

12 Delete "(a)(4) or"

AMENDMENT #6

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE Josephson

1 Page 1, line 5, following the second occurrence of "**products**":

2 Insert "**repealing the cigarette tax stamp discount**,"

3

4 Page 10, following line 13:

5 Insert a new bill section to read:

6 "**\* Sec. 19.** AS 43.50.590(a) is amended to read:

7 (a) The department shall adopt procedures for a refund or credit to a licensee  
8 in the amount of the denominated value [, LESS THE DISCOUNT GIVEN UNDER  
9 AS 43.50.540,] for

10 (1) unused or damaged stamps;

11 (2) stamps affixed to cigarette packages that have become unfit for use  
12 or sale, are destroyed, or are returned to the manufacturer for credit or replacement if  
13 the licensee provides proof acceptable to the department that the cigarettes have not  
14 been and will not be consumed in this state; or

15 (3) stamps affixed to cigarette packages that are sold or distributed  
16 outside the state if the licensee provides proof acceptable to the department that the  
17 cigarettes have not been and will not be consumed in this state and the licensee is  
18 properly licensed in the jurisdictions outside the state where the sales or distributions  
19 are made."

20

21 Renumber the following bill sections accordingly.

22

23 Page 21, line 9:

1 Delete "sec. 24"

2 Insert "sec. 25"

3

4 Page 23, line 7:

5 Delete "is"

6 Insert "; AS 43.50.540(c), and 43.50.540(h) are"

7

8 Page 23, line 23:

9 Delete "sec. 19"

10 Insert "sec. 20"

11

12 Page 23, line 24:

13 Delete "sec. 26"

14 Insert "sec. 27"

15

16 Page 23, line 25:

17 Delete "19, and 25"

18 Insert "20, and 26"

19

20 Page 23, line 26:

21 Delete "sec. 29"

22 Insert "sec. 30"

AMENDMENT #7

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE JOSEPHSON

1 Page 10, lines 16 - 17:

2 Delete "closed electronic smoking products and vapor products"

3 Insert "vapor products sold"

4

5 Page 10, lines 17 - 18:

6 Delete "25 percent of the retail sales price of a closed electronic smoking product or a"

7 Insert "\$.54 for each milliliter of"

8

9 Page 10, line 24:

10 Delete "closed electronic smoking product or"

11

12 Page 12, line 22:

13 Delete "closed electronic smoking products, vapor products,"

14 Insert "vapor products"

15

16 Page 12, line 24, following "products,":

17 Insert "the volume of vapor product contained in each electronic smoking product  
18 sold,"

19

20 Page 12, line 25:

21 Delete "closed electronic smoking products and"

22

23 Page 12, line 27, following "including":

1           Insert "the volume of vapor product contained in each electronic smoking product  
2 sold,"

3

4 Page 16, lines 11 - 12:

5           Delete all material.

6

7 Renumber the following paragraphs accordingly.

#8

**AMENDMENT**

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE JOSEPHSON

- 1 Page 10, lines 16 - 17:
- 2 Delete "closed electronic smoking products and vapor products"
- 3 Insert "vapor products sold"
- 4
- 5 Page 10, lines 17 - 18:
- 6 Delete "25 percent of the retail sales price of a closed electronic smoking product or a"
- 7 Insert "\$.012 for each milligram of nicotine in the"
- 8
- 9 Page 10, line 24:
- 10 Delete "closed electronic smoking product or"
- 11
- 12 Page 12, line 22:
- 13 Delete "closed electronic smoking products, vapor products,"
- 14 Insert "vapor products"
- 15
- 16 Page 12, line 24, following "products,":
- 17 Insert "the weight of nicotine contained in the vapor product for each electronic
- 18 smoking product sold,"
- 19
- 20 Page 12, line 25:
- 21 Delete "closed electronic smoking products and"
- 22
- 23 Page 12, line 27, following "including":

1           Insert "the weight of nicotine contained in the vapor product for each electronic  
2 smoking product sold,"

3

4 Page 16, lines 11 - 12:

5           Delete all material.

6

7 Renumber the following paragraphs accordingly.

#9

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE BYNUM

1 Page 10, line 16:

2 Delete "; **collection**"

3

4 Page 10, lines 17 - 18:

5 Delete "25 percent of the retail sales"

6 Insert "45 percent of the wholesale"

7

8 Page 10, lines 19 - 22:

9 Delete all material and insert:

10 "(b) The tax under (a) of this section is levied when a person

11 (1) brings, or causes to be brought, an electronic smoking product or  
12 vapor product into the state from outside the state for sale;

13 (2) makes, manufactures, or fabricates an electronic smoking product  
14 or vapor product in the state for sale in the state; or

15 (3) ships or transports an electronic smoking product or vapor product  
16 to a retailer in the state for sale by the retailer."

17

18 Page 10, line 25:

19 Delete "sold"

20 Insert "intended for sale"

21

22 Page 11, line 5, following "store;":

23 Insert "for purposes of meeting the requirements of this subparagraph, the department

1 shall accept a notarized affidavit from the seller attesting to the intended use of the product;"

2

3 Page 11, line 18:

4 Delete "retailer"

5 Insert "distributor"

6

7 Page 12, line 28, following "sellers":

8 Insert "and the purchasers"

9

10 Page 15, line 19, through page 16, line 8:

11 Delete all material and insert:

12 "Sec. 43.50.900. Definition. In AS 43.50.850 - 43.50.900, "distributor" means  
13 a person who

14 (1) brings, or causes to be brought, electronic smoking products into  
15 the state from outside the state for sale;

16 (2) makes, manufactures, or fabricates electronic smoking products in  
17 the state for sale in the state; or

18 (3) ships or transports electronic smoking products to a retailer in the  
19 state for sale by the retailer."

20

21 Page 17, lines 3 - 4:

22 Delete all material.

23

24 Renumber the following paragraph accordingly.

#10

**AMENDMENT**

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE ALLARD

- 1 Page 10, line 17:  
2 Delete "25"  
3 Insert "(1) 10"  
4  
5 Page 10, line 18, following "product":  
6 Insert "  
7 (2) 65 percent of the wholesale price of a closed electronic smoking  
8 product or a vapor product"  
9  
10 Page 10, line 19, following "tax":  
11 Insert "under (a)(1) of this section"  
12  
13 Page 10, line 20, following "tax":  
14 Insert "under (a)(1) of this section"  
15  
16 Page 10, following line 22:  
17 Insert a new subsection to read:  
18 "(c) The tax under (a)(2) of this section is levied when a person  
19 (1) brings, or causes to be brought, an electronic smoking product or  
20 vapor product into the state from outside the state for sale;  
21 (2) makes, manufactures, or fabricates an electronic smoking product  
22 or vapor product in the state for sale in the state; or  
23 (3) ships or transports an electronic smoking product or vapor product

1 to a retailer in the state for sale by the retailer."

2

3 Page 10, line 25:

4 Delete "sold"

5 Insert "intended for sale"

6

7 Page 11, line 5, following "store;":

8 Insert "for purposes of meeting the requirements of this subparagraph, the department  
9 shall accept a notarized affidavit from the seller attesting to the intended use of the product;"

10

11 Page 11, line 18, following "retailer":

12 Insert "or distributor"

13

14 Page 15, line 19, through page 16, line 8:

15 Delete all material and insert:

16 **"Sec. 43.50.900. Definitions.** In AS 43.50.850 - 43.50.900,

17 (1) "distributor" means a person who

18 (A) brings, or causes to be brought, electronic smoking  
19 products into the state from outside the state for sale;

20 (B) makes, manufactures, or fabricates electronic smoking  
21 products in the state for sale in the state; or

22 (C) ships or transports electronic smoking products to a retailer  
23 in the state for sale by the retailer;

24 (2) "retailer" means a person in the state who is engaged in the  
25 business of selling electronic smoking products at retail;

26 (3) "sales price"

27 (A) means the total amount of consideration, including cash,  
28 credit, property, and services, for which an electronic smoking product is  
29 purchased or sold, valued in money, whether received in money or otherwise,  
30 without any deduction for

31 (i) the seller's cost of the electronic smoking product

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sold;

- (ii) the cost of materials used, labor or service cost, interest, losses, cost of transportation, taxes, or other expenses of the seller;
- (iii) charges by the seller for services necessary to complete the sale;
- (iv) delivery charges;

(B) does not include

- (i) discounts, including cash or coupons that are not reimbursed by a third party, that are allowed by a seller and taken by a purchaser on a sale;
- (ii) interest, financing, and carrying charges from credit extended on the sale of an electronic smoking product if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and
- (iii) taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser."

Page 17, lines 3 - 4:

Delete all material.

Renumber the following paragraph accordingly.

AMENDMENT #11

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE STAPP

1 Page 10, lines 16 - 17:

2 Delete "closed electronic smoking products and vapor products"

3 Insert "vapor products sold"

4

5 Page 10, lines 17 - 18:

6 Delete "25 percent of the retail sales price of a closed electronic smoking product or a  
7 vapor product"

8 Insert "\$.30 for each milliliter of vapor product, and a proportionate tax on any  
9 fraction of a milliliter of vapor product"

10

11 Page 10, line 24:

12 Delete "closed electronic smoking product or"

13

14 Page 12, line 22:

15 Delete "closed electronic smoking products, vapor products,"

16 Insert "vapor products"

17

18 Page 12, line 24, following "products,":

19 Insert "the volume of vapor product contained in each electronic smoking product  
20 sold,"

21

22 Page 12, line 25:

23 Delete "closed electronic smoking products and"

1

2 Page 12, line 27, following "including":

3       Insert "the volume of vapor product contained in each electronic smoking product  
4 sold,"

5

6 Page 16, lines 11 - 12:

7       Delete all material.

8

9 Renumber the following paragraphs accordingly.

AMENDMENT #12

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE ALLARD

1 Page 10, line 16:

2 Delete "; **collection**"

3

4 Page 10, lines 17 - 18:

5 Delete "25 percent of the retail sales"

6 Insert "65 percent of the wholesale"

7

8 Page 10, lines 19 - 22:

9 Delete all material and insert:

10 "(b) The tax under (a) of this section is levied when a person

11 (1) brings, or causes to be brought, an electronic smoking product or  
12 vapor product into the state from outside the state for sale;

13 (2) makes, manufactures, or fabricates an electronic smoking product  
14 or vapor product in the state for sale in the state; or

15 (3) ships or transports an electronic smoking product or vapor product  
16 to a retailer in the state for sale by the retailer."

17

18 Page 10, line 25:

19 Delete "sold"

20 Insert "intended for sale"

21

22 Page 11, line 5, following "store;":

23 Insert "for purposes of meeting the requirements of this subparagraph, the department

1 shall accept a notarized affidavit from the seller attesting to the intended use of the product;"

2

3 Page 11, line 18:

4 Delete "retailer"

5 Insert "distributor"

6

7 Page 12, line 28, following "sellers":

8 Insert "and the purchasers"

9

10 Page 15, line 19, through page 16, line 8:

11 Delete all material and insert:

12 "Sec. 43.50.900. Definition. In AS 43.50.850 - 43.50.900, "distributor" means  
13 a person who

14 (1) brings, or causes to be brought, electronic smoking products into  
15 the state from outside the state for sale;

16 (2) makes, manufactures, or fabricates electronic smoking products in  
17 the state for sale in the state; or

18 (3) ships or transports electronic smoking products to a retailer in the  
19 state for sale by the retailer."

20

21 Page 17, lines 3 - 4:

22 Delete all material.

23

24 Renumber the following paragraph accordingly.

AMENDMENT #13

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE JOSEPHSON

1 Page 1, line 5, following "products;":

2 Insert "relating to an electronic smoking product directory;"

3

4 Page 12, line 5, following "AS 43.50.070":

5 Insert "or 43.50.925"

6

7 Page 16, following line 8:

8 Insert new sections to read:

9 "Article 9. Electronic Smoking Product Directory.

10 Sec. 43.50.910. Manufacturer certification. (a) By August 1 of each year, a  
11 manufacturer of a product that contains nicotine or a nicotine substitute that is sold to  
12 a consumer in the state, either directly or through a retailer, shall, under penalty of  
13 perjury, certify

14 (1) the accuracy of the information provided to the department under  
15 (b) of this section; and

16 (2) that the manufacturer agrees to comply with the provisions of  
17 AS 43.50.910 - 43.50.950.

18 (b) In an annual certification provided to the department, a manufacturer shall

19 (1) for each product sold for retail or to a consumer in the state, certify  
20 that the manufacturer

21 (A) received an order that the product may be introduced or  
22 delivered for introduction into interstate commerce from the secretary under 21  
23 U.S.C. 387j(c) and that the order has not been withdrawn or temporarily

1 suspended under 21 U.S.C. 387j(d); or

2 (B) submitted a timely, complete, and accepted application for  
3 the product to the secretary under 21 U.S.C. 387j(b), and the application is  
4 under review or has received a denial order that has been and remains stayed  
5 by the secretary or by court order, rescinded by the secretary, or vacated by a  
6 court;

7 (2) for each product sold at retail or to a consumer in the state,  
8 separately list the brand name, product name, category, and flavor of the product; for  
9 purposes of this paragraph, categories of products include disposable vapor products,  
10 power units, devices, and cartridges and pods;

11 (3) attach a copy of

12 (A) the order described in (1) of this subsection;

13 (B) an acceptance letter issued by the secretary of a complete  
14 application timely filed under 21 U.S.C. 387j(b); or

15 (C) a document issued by the secretary or a court confirming  
16 that the product application has received a denial order that is stayed by the  
17 secretary or court order, rescinded by the secretary, or vacated by a court; and

18 (4) include

19 (A) a payment of \$50 for each product listed under (2) of this  
20 subsection;

21 (B) an electronic mail address or facsimile number where the  
22 department can provide notice to the manufacturer, if required under  
23 AS 43.50.915(c); and

24 (C) the name, address, telephone number, and proof of  
25 availability of the agent required under AS 43.50.930; and

26 (5) post a bond or other cash security as required under AS 43.50.935.

27 (c) With the exception of information required to be published by the  
28 department in the directory under AS 43.50.915, the certification and information  
29 submitted by a manufacturer under (a) and (b) of this section is confidential and not  
30 subject to public disclosure under AS 40.25.100 - 40.25.295 (Alaska Public Records  
31 Act).

1 (d) A manufacturer required to submit a certification under (a) of this section  
2 shall notify the department within 30 days after a material change to the information  
3 contained in the certification under (b) of this section, including the issuance or denial  
4 of an authorization or other order by the secretary under 21 U.S.C. 387j(c), or any  
5 other order or action by the secretary or a court that affects the ability of the product to  
6 be introduced or delivered into interstate commerce for commercial distribution in the  
7 United States.

8 (e) In this section, "secretary" means the United States secretary of Health and  
9 Human Services.

10 **Sec. 43.50.915. Directory.** (a) The department shall publish and maintain on  
11 its Internet website a directory that lists all product manufacturers and all products,  
12 including brand names, product names, categories, and flavors, for which a  
13 certification has been submitted to the department under AS 43.50.910. The  
14 department shall update the directory at least monthly and shall establish a process to  
15 provide retailers, distributors, and wholesalers, and other relevant parties notice of  
16 changes made to the directory in the prior month.

17 (b) The department shall remove from the directory all products of a  
18 manufacturer if

19 (1) the manufacturer fails to comply with AS 43.50.910(a) or (b) and  
20 the manufacture's product is sold in the state; or

21 (2) the department determines that information provided by the  
22 manufacturer is false or contains material misrepresentations or omissions.

23 (c) Before removing a product from the directory under (b) of this section, the  
24 department shall notify a manufacturer of the department's intent to remove a product  
25 from the directory. The notice must set out the reason for the proposed removal. If a  
26 notice is sent under this subsection to the electronic mail address or facsimile number  
27 provided by the manufacturer in an annual certification, the department shall consider  
28 the notice immediately delivered. To remain on the directory, a manufacturer shall  
29 cure a deficiency within 15 days after receiving the notice. If the deficiency is not  
30 cured within 30 days after the notice is provided under this subsection, the department  
31 shall remove the product from the directory.

1           **Sec. 43.50.920. Sale prohibited; product removal; disposal.** (a) Except for  
2 the limited period provided in (b) of this section, a retailer, distributor, wholesaler, or  
3 manufacturer may not sell a product in the state unless it is listed in the directory.

4           (b) A retailer shall have 30 days from the date a product is removed from the  
5 directory to sell the product.

6           (c) The department may seize a product not listed in the directory from a  
7 retailer, distributor, wholesaler, or manufacturer. The department shall destroy or  
8 otherwise dispose of seized products. Costs related to a seizure and destruction or  
9 disposal under this subsection shall be paid by the retailer, distributor, wholesaler, or  
10 manufacturer from which the products are seized.

11           **Sec. 43.50.925. Penalties.** (a) A retailer who sells or offers to sell a product not  
12 listed in the directory to a consumer in the state is liable for a civil penalty for each  
13 individual product sold or offered for sale. The civil penalty is

14           (1) \$250 for the first individual product sold or offered for sale in  
15 violation of this subsection in a 12-month period;

16           (2) \$1,000 for the second individual product sold or offered for sale in  
17 violation of this subsection in a 12-month period, and the license of the retailer shall  
18 be suspended for at least 30 days;

19           (3) \$5,000 for the third individual product sold or offered for sale in  
20 violation of this subsection in a 12-month period, and the license of the retailer shall  
21 be suspended for at least 90 days;

22           (4) \$10,000 for the fourth and each subsequent individual product sold  
23 or offered for sale in violation of this subsection in a 12-month period, and the license  
24 of the retailer shall be suspended for at least one year.

25           (b) A manufacturer that, directly or through an intermediary, causes a product  
26 that is not listed in the directory to be sold for retail sale in the state or to a consumer  
27 in the state, whether directly or through an intermediary, is liable for a civil penalty of  
28 \$500 for each individual product sold or offered for sale.

29           (c) A manufacturer that falsely represents information required to be  
30 submitted to the department under AS 43.50.910(a) or (b) is guilty of a class B  
31 misdemeanor for each false representation.

1 (d) In addition to the penalties under (a) and (b) of this section, the department  
2 may recover reasonable costs, including attorney and expert witness fees, incurred by  
3 the department in the investigation of a violation under this section.

4 **Sec. 43.50.930. Agent.** (a) If a manufacturer is not required by AS 10.06 or  
5 another law of the state to maintain a registered agent in the state, the manufacturer  
6 shall appoint and engage without interruption of services an agent on whom process  
7 can be served in the state for any action or proceeding against the manufacturer arising  
8 out of an enforcement action under AS 43.50.910 - 43.50.950. Service to the agent  
9 constitutes legal and valid service of process on the manufacturer. A manufacturer  
10 shall notify the department within five days after a change of agent.

11 (b) If a manufacturer fails to appoint or maintain an agent in the state as  
12 required by (a) of this section, or if its agent cannot, with reasonable diligence, be  
13 found, the commissioner shall act as the agent of the manufacturer for purposes of this  
14 section.

15 **Sec. 43.50.935. Bonds.** (a) A manufacturer shall, as a condition of having its  
16 products listed in the directory, submit to the department a surety bond or other cash  
17 security payable to the state equal to \$25,000. A surety bond required under this  
18 section must be posted by a corporate surety located within the United States.

19 (b) The bond or security required under this section is conditioned on the  
20 performance by the manufacturer on the requirements and obligations of AS 43.50.910  
21 - 43.50.950. A surety on a bond shall be liable up to the amount of the bond. The  
22 department may execute on a surety bond for the payment of fines and penalties  
23 imposed on the manufacturer under AS 43.50.925 and for the costs of seizure and  
24 destruction of products under AS 43.50.920. If the department executes on the surety  
25 bond, it may require the manufacturer to provide an additional bond as a condition for  
26 retaining products of the manufacturer in the directory.

27 (c) A surety on a bond furnished by a manufacturer as provided under this  
28 section shall be released and discharged from liability 60 days after the date the surety  
29 requests, in writing, to the department to be released and discharged. This subsection  
30 does not relieve, release, or discharge a surety from liability that accrues before the  
31 expiration of the 60-day period. On receiving a release and discharge request under

1 this subsection, the department shall notify the manufacturer that furnished the bond.  
2 Unless the manufacturer, on or before the expiration of the 60-day period, files a new  
3 bond or other security acceptable to the department, the department shall remove the  
4 products of the manufacturer from the directory.

5 **Sec. 43.50.940. Compliance checks.** (a) The department shall perform at least  
6 two unannounced checks for compliance with AS 43.50.910 - 43.50.950 on each  
7 retailer, distributor, and wholesaler that sells or distributes products in the state. The  
8 department shall perform an additional unannounced check for a noncompliant  
9 retailer, distributor, and wholesaler within 30 days after a violation under  
10 AS 43.50.910 - 43.50.950.

11 (b) During a compliance check under this section, the department, or an agent  
12 of the department, may examine the books, papers, invoices, and other records of a  
13 retailer, distributor, and wholesaler that possesses, controls, or occupies premises  
14 where products are placed, stored, sold, or offered for sale, and the stock of products  
15 on the premises.

16 (c) The department shall annually publish the result of compliance checks  
17 under this section and make the results available to the public on request.

18 **Sec. 43.50.945. Records; required report to legislature.** By January 31 of  
19 each year, the department shall provide a report to the legislature. The report must  
20 update the legislature on the status of the directory, including the dates the directory  
21 was updated, issues the department has encountered in keeping the directory up to  
22 date, revenue and expenditures related to the administration of AS 43.50.910 -  
23 43.50.950, and enforcement actions taken under AS 43.50.910 - 43.50.950. The most  
24 recent version of the directory must be appended to the report. The commissioner shall  
25 submit the report to the senate secretary and the chief clerk of the house of  
26 representatives and notify the legislature that the report is available.

27 **Sec. 43.50.950. Definitions.** In AS 43.50.910 - 43.50.950,

- 28 (1) "directory" means the directory established in AS 43.50.915;  
29 (2) "nicotine" includes a synthetic nicotine;  
30 (3) "product" means an electronic smoking product as defined in  
31 AS 43.50.990."

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Page 16, line 9:

Delete "**Article 9**"

Insert "**Article 10**"

Page 23, following line 24:

Insert new bill sections to read:

**\*\* Sec. 29.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. (a) A manufacturer shall comply with requirements of AS 43.50.910 on or before August 1, 2026.

(b) The Department of Revenue shall first publish the directory on or before October 1, 2026.

(c) An electronic smoking product required to be listed in the directory but not listed may not be sold at retail or offered for retail sale in the state on or after November 30, 2026.

(d) The Department of Revenue shall provide the first report required under AS 43.50.945 on or before January 1, 2027.

(e) In this section, "directory" means the directory established in AS 43.50.915.

**\* Sec. 30.** AS 43.50.910 - 43.50.950 and 43.50.990(2) - (5), enacted by sec. 19 of this Act, take effect immediately under AS 01.10.070(c)."

Renumber the following bill sections accordingly.

Page 23, line 25:

Delete "19,"

Following "Act":

Insert ", and AS 43.50.850 - 43.50.900 and 43.50.990(1), enacted by sec. 19 of this Act,"

Page 23, line 26:

Delete "sec. 29"

1           Insert "secs. 30 and 31"

AMENDMENT #14

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE Josephson

- 1 Page 15, line 18, following "content":
- 2       Insert ", including the nicotine concentration in milligrams per milliliter and the total
- 3 amount of milligrams of nicotine in the product"

#15

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSSB 24(FIN)

BY REPRESENTATIVE

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1 Page 15, line 19, through page 16, line 8:

2 Delete all material and insert:

3 "Sec. 43.50.900. Definitions. In AS 43.50.850 - 43.50.900,

4 (1) "retailer" means a person in the state who is engaged in the  
5 business of selling electronic smoking products at retail;

6 (2) "sales price"

7 (A) means the total amount of consideration, including cash,  
8 credit, property, and services, for which an electronic smoking product is  
9 purchased or sold, valued in money, whether received in money or otherwise,  
10 without any deduction for

11 (i) the seller's cost of the electronic smoking product  
12 sold;

13 (ii) the cost of materials used, labor or service cost,  
14 interest, losses, cost of transportation, taxes, or other expenses of the  
15 seller;

16 (iii) charges by the seller for services necessary to  
17 complete the sale;

18 (iv) delivery charges;

19 (B) does not include

20 (i) discounts, including cash or coupons that are not  
21 reimbursed by a third party, that are allowed by a seller and taken by a  
22 purchaser on a sale;

23 (ii) interest, financing, and carrying charges from credit

1 extended on the sale of an electronic smoking product if the amount is  
2 separately stated on the invoice, bill of sale, or similar document given  
3 to the purchaser; and

4 (iii) taxes legally imposed directly on the consumer that  
5 are separately stated on the invoice, bill of sale, or similar document  
6 given to the purchaser."

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8 Page 17, lines 3 - 4:

9 Delete all material.

10

11 Renumber the following paragraph accordingly.