

Commerce & Labor Committee

HB 2158

Brief Description: *Relating to changing enforcement provisions for licensed sellers of cigarettes, tobacco, and herbal cigarettes without changing monetary penalties on retailers.*

Sponsors: *Representatives Edwards, Clements, Conway, Wood and Kenney.*

Brief Summary of Bill

- *Includes herbal cigarettes in the regulations on cigarettes for purposes of licensing, sales to minors, and enforcement.*

Hearing Date:

Staff: *Sydney Forrester (786-7120).*

Background:

Cigarettes are regulated and taxed by the Department of Revenue. The Liquor Control Board is appointed as an enforcement agent for sales to minors.

The cigarette statute includes provisions regarding:

- *separate licensure for retail sales, wholesale distribution, and vending machine sales;*
- *taxes imposed and the distribution of tax funds collected;*
- *tax stamps;*
- *bonds;*
- *violations and penalties;*
- *seizure and forfeiture; and*
- *the transportation of cigarettes.*

The Liquor Control Board has authority to suspend or revoke licenses issued under the cigarette regulations, and to impose monetary penalties, issue cease and desist orders, and seek injunctive relief for violations.

Herbal cigarettes– are not defined or regulated under existing laws. Herbal cigarettes do not contain tobacco and are marketed under such names as Herbal Gold, Ecstasy, Magic, and Cannabis Free.

Last year the Federal Trade Commission filed a complaint against herbal cigarette manufactures for claims made by the manufacturers that herbal cigarettes are a safe alternative to smoking. As part of the settlement of that complaint, warnings now are required on herbal cigarette packages to indicate the cigarettes are: (1) dangerous to health; and (2) produce carbon monoxide and tar.

Summary of Bill:

Herbal cigarettes are incorporated into the cigarette regulatory scheme and are taxed in the same way as cigarettes. A license is required for wholesale and retail sales. The license fees and corresponding rights and duties for herbal cigarettes licenses are the same as for cigarettes. Herbal cigarettes are added to the prohibition against selling or giving cigarettes or tobacco products to minors, making the sale or gift to minors a gross misdemeanor.

Rules Authority: *The bill does not contain provisions addressing the rule-making powers of an agency.*

Appropriation: *None.*

Fiscal Note: *Requested on February 15, 2001.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*