

1 SB325
2 211662-1
3 By Senators Roberts and Livingston
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 11-MAR-21

8 SYNOPSIS: Existing law provides that the Alabama
9 Alcoholic Beverage Control Board is responsible for
10 issuing tobacco permits to distributors and
11 retailers.

12 Existing law also provides that any person
13 who distributes tobacco or tobacco products shall
14 first obtain a permit from the board for each
15 location of distribution prior to engaging in the
16 distribution of tobacco or tobacco products.

17 This bill would provide for the suspension
18 or revocation of a tobacco permit for any retailer
19 of tobacco products that fails to pay his or her
20 financial obligation to a manufacturer or
21 distributor of tobacco products for an invoiced
22 purchase of tobacco products.

23 This bill would provide for the
24 reinstatement of a tobacco permit in certain
25 circumstances.

26 This bill would also require the board to
27 adopt rules.

1
2 A BILL
3 TO BE ENTITLED
4 AN ACT
5

6 Relating to tobacco; to provide for the suspension
7 or revocation of tobacco permits of tobacco retailers that
8 fail to pay distributors for an invoiced purchase; to provide
9 for the reinstatement of a tobacco permit in certain
10 circumstances; and to require the Alabama Alcoholic Beverage
11 Control Board to adopt rules.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Section 28-11-20 is added to the Code of
14 Alabama 1975, to read as follows:

15 §28-11-20.

16 (a) (1) No manufacturer or distributor shall sell,
17 offer to sell, or deliver any tobacco, tobacco products,
18 electronic nicotine delivery systems, or alternative nicotine
19 products to any retailer in this state for any consideration
20 other than cash or on terms, nor shall any retailer of these
21 products buy or accept delivery for any of these products for
22 any consideration other than cash or on terms.

23 (2) If payment on an invoiced purchase is not
24 received from the retailer when due or payment is returned for
25 insufficient funds, the manufacturer or distributor, within 15
26 business days, shall notify the board and the board shall
27 promptly notify all licensed manufacturers and distributors in

1 this state of the default in payment. Thereafter, no person
2 shall sell any tobacco, tobacco products, electronic nicotine
3 delivery systems, or alternative nicotine products to the
4 retailer in default on any terms other than cash delivery,
5 until otherwise authorized by the board. Under penalty of
6 suspension of the permit, the retailer who is in default shall
7 pay his or her obligation in full within 60 days from the date
8 it became due.

9 (b) (1) Any retailer that fails to make timely and
10 sufficient payment under subdivision (a) (2) may have his or
11 her tobacco permit suspended for not more than 30 days for
12 each offense. If the retailer repays his or her obligation
13 prior to the end of the suspension period, he or she may pay a
14 fee to be determined by the board for the early reinstatement
15 of his or her permit.

16 (2) Each failure of a retailer to make payment for
17 any default before the expiration period of suspension is a
18 separate offense.

19 (3) The board may permanently revoke the tobacco
20 permit of any retailer that is suspended for default in
21 payment for more than six months in any 12-month period.

22 (c) The board may require a retailer that fails to
23 make timely and sufficient payment under subdivision (a) (2) to
24 make payment in cash for all tobacco, tobacco products,
25 electronic nicotine delivery systems, or alternative nicotine
26 products sold or delivered to him or her after the initial
27 failure.

1 (d) The board shall adopt rules to implement and
2 enforce this section.

3 Section 2. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.