REQUIRES TWO-THIRDS MAJORITY VOTE (§ 2) EXEMPT (Reprinted with amendments adopted on May 28, 2019) FIRST REPRINT S.B. 263

SENATE BILL NO. 263-SENATORS RATTI, GANSERT, DONDERO LOOP AND PARKS

MARCH 12, 2019

Referred to Committee on Revenue and **Economic Development**

SUMMARY-Revises provisions relating to the regulation and taxation of certain vapor products, alternative nicotine products and tobacco products. (BDR 32-700)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

EXPLANATION - Matter in *bolded italics* is new; matter between brackets for its material is material to be omitted.

AN ACT relating to public health; requiring that certain vapor products and alternative nicotine products be taxed and regulated as other tobacco products; revising provisions related to the areas in which smoking is prohibited; revising provisions pertaining to the sale or distribution of cigarettes, cigarette paper, tobacco, products made or derived from tobacco, vapor products and alternative nicotine products to persons under the age of 18 years; providing penalties; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Department of Taxation to regulate and collect a tax 123456789 on cigarettes and other tobacco products. (Chapter 370 of NRS) Sections 1.7 and 2 of this bill provide that certain alternative nicotine products and vapor products, including electronic cigarettes, cigars, cigarillos, pipes, hookahs, vape pens and similar products or devices and their components, are regulated and taxed as other tobacco products. Because this bill regulates and taxes such vapor products as other tobacco products, wholesale and retail dealers of those vapor products would be required to obtain a license from the Department and wholesale dealers of those vapor products would be required to pay a tax of 30 percent of the wholesale price of those products. (NRS 370.445, 370.450) 10

11 The Nevada Clean Indoor Air Act was proposed by an initiative petition and 12 approved by the voters at the 2006 General Election. The Act generally prohibits 13 smoking tobacco within indoor places of employment, within school buildings and





14 on school property, but allows smoking tobacco in certain areas or establishments. 15 (NRS 202.2483) Section 7.1 of this bill defines "smoking" and expressly applies 16 the Nevada Clean Indoor Air Act to the use of an electronic smoking device.

17 Existing law prohibits a person from selling, distributing or offering to sell 18 cigarettes, cigarette paper, tobacco of any description, products made or derived 19 from tobacco, vapor products or alternative nicotine products to any person under 20 the age of 18 years. (NRS 202.2493) For the purposes of this prohibition, existing law defines "vapor products" to include only products containing nicotine that produce a vapor from nicotine in a solution or other form. (NRS 202.2485) Section 7.3 of this bill extends this definition to include products containing other substances, the use or inhalation of which simulates smoking, and certain associated devices and components.

21 22 23 24 25 26 27 28 29 30 Under existing law, a person who sells, distributes or offers to sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products to a person under the age of 18 years is punished by a criminal fine of not more than \$500 and a civil penalty of not more than \$500. (NRS 202.2493) Sections 1 and 7.5 of this bill: (1) remove the 31 criminal penalties for violating this prohibition and, instead, authorize the 32 33 Department to impose a civil penalty on a person who sells, distributes or offers to sell cigarettes, cigarette paper, tobacco of any description, products made or 34 derived from tobacco, vapor products and alternative nicotine products to a person 35 under the age of 18 years; (2) revise the amount of such civil penalties; (3) 36 authorize the imposition of penalties on a licensee whose employee or agent 37 violates this prohibition; and (4) establishes the procedure for the issuance of a 38 notice of infraction to a person who violates this prohibition and the requesting of a 39 hearing before the Department. Sections 1.3, 7.4 and 7.9 make conforming changes 40 related to the removal of criminal penalties and the authorization for the 41 Department to impose civil penalties.

42 Existing law prohibits a person from knowingly selling or distributing 43 cigarettes, cigarette paper, tobacco of any description or products made or derived 44 from tobacco to a child under the age of 18 years through the use of the Internet. 45 Existing law further requires a person who sells or distributes such products 46 through the use of the Internet to adopt a policy to prevent a child under the age of 47 18 years from obtaining such products from the person through the use of the 48 Internet, which policy is required to include: (1) a method to ensure that the person 49 who delivers the products to obtain the signature of a person who is over the age of 50 18 years; (2) a requirement that the packaging or wrapping of the items when they 51 are shipped is clearly marked with the words "cigarettes" or the words "tobacco 52 53 products;" and (3) a requirement to comply with certain federal law relating to the remote sale of cigarettes and certain tobacco products. (NRS 202.24935) Section 54 7.7 of this bill removes the requirement for such a policy. Instead, section 7.7 55 requires a person who sells or distributes cigarettes, cigarette paper, tobacco of any 56 description, products made or derived from tobacco, vapor products or alternative 57 nicotine products through a computer network, telephonic network or other 58 electronic network to: (1) ensure that the packaging in which the items are shipped 59 is labeled "cigarettes" or "tobacco products;" and (2) use certain age verification 60 procedures.

61 Section 14.5 of this bill makes an appropriation to the Department of Health 62 and Human Services for programs to control and prevent the use of tobacco in the 63 amount of \$2.5 million for Fiscal Year 2019-2020 and \$2.5 million for Fiscal Year 64 2020-2021.





THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 370 of NRS is hereby amended by adding 2 thereto a new section to read as follows:

3 1. Except as otherwise provided in subsections 2 and 3, a 4 person shall not sell, distribute or offer to sell cigarettes, cigarette 5 paper or other tobacco products to any child under the age of 18 6 years.

7 2. A person shall be deemed to be in compliance with the 8 provisions of subsection 1 if, before the person sells, distributes or 9 offers to sell to another, cigarettes, cigarette paper or other 10 tobacco products, the person:

(a) Demands that the other person present a valid driver's
license, permanent resident card, tribal identification card or other
written or documentary evidence which shows that the other
person is 18 years of age or older;

15 (b) Is presented a valid driver's license, permanent resident 16 card, tribal identification card or other written or documentary 17 evidence which shows that the other person is 18 years of age or 18 older; and

19 (c) Reasonably relies upon the driver's license, permanent 20 resident card, tribal identification card or other written or 21 documentary evidence presented by the other person.

22 3. The employer of a child who is under 18 years of age may, 23 for the purpose of allowing the child to handle or transport 24 cigarettes, cigarette paper or other tobacco products, in the course 25 of the child's lawful employment, provide cigarettes, cigarette 26 paper or other tobacco products to the child.

27 4. A person who violates this section is liable for a civil 28 penalty of:

29 (a) For the first violation within a 24-month period, \$100.

30 (b) For the second violation within a 24-month period, \$250.

31 (c) For the third and any subsequent violation within a 24-32 month period, \$500.

33 5. If an employee or agent of a licensee has violated this 34 section:

(a) For the first and second violation within a 24-month period
at the same premises, the licensee must be issued a warning.

(b) For the third violation within a 24-month period at the
same premises, the licensee is liable for a civil penalty of \$500.

39 (c) For the fourth violation within a 24-month period at the 40 same premises, the licensee is liable for a civil penalty of \$1,250.





1 (d) For the fifth and any subsequent violation within a 24-2 month period at the same premises, the licensee is liable for a civil 3 penalty of \$2,500.

4 6. A peace officer or any person performing an inspection 5 pursuant to NRS 202.2496 may issue a notice of infraction for a 6 violation of this section. A notice of infraction must be issued on a 7 form prescribed by the Department and must contain:

(a) The location at which the violation occurred;

(b) The date and time of the violation;

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10 (c) The name of the establishment at which the violation 11 occurred;

12 (d) The signature of the person who issued the notice of 13 infraction;

14 (e) A copy of the section which allegedly is being violated;

15 (f) Information advising the person to whom the notice of 16 infraction is issued of the manner in which, and the time within 17 which, the person must submit an answer to the notice of 18 infraction; and

19 (g) Such other pertinent information as the peace officer or 20 person performing the inspection pursuant to NRS 202.2496 21 determines is necessary.

7. A notice of infraction issued pursuant to subsection 6 or a
facsimile thereof must be filed with the Department and retained
by the Department and is deemed to be a public record of matters
which are observed pursuant to a duty imposed by law and is
prima facie evidence of the facts alleged in the notice.

8. A person to whom a notice of infraction is issued pursuant
to subsection 6 shall respond to the notice by:

(a) Admitting the violation stated in the notice and paying to
the Department the applicable civil penalty set forth in subsection
4 or 5.

32 (b) Denying liability for the infraction by notifying the 33 Department and requesting a hearing in the manner indicated on 34 the notice of infraction. Upon receipt of a request for a hearing 35 pursuant to this paragraph, the Department shall provide the 36 person submitting the request an opportunity for a hearing 37 pursuant to chapter 233B of NRS.

9. Any money collected by the Department from a civil
penalty pursuant to this section must be deposited in a separate
account in the State General Fund to be used for the enforcement
of this section and NRS 202.2493 and 202.2494.

42 10. As used in this section, "licensee" means a person who 43 holds a license issued by the Department pursuant to this chapter.





1 **Sec. 1.3.** NRS 370.001 is hereby amended to read as follows: 2 370.001 As used in NRS 370.001 to 370.430, inclusive, and 3 370.505 to 370.530, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 4 5 370.003 to 370.055, inclusive, have the meanings ascribed to them 6 in those sections. 7 Sec. 1.7. NRS 370.0318 is hereby amended to read as 8 follows: 9 370.0318 "Other tobacco product" means any tobacco of any description [or], any vapor product, any alternative nicotine 10 *product or* any product made from tobacco, other than cigarettes. 11 12 alternative nicotine products and vapor products.] 13 **Sec. 2.** NRS 370.054 is hereby amended to read as follows: 370.054 "Vapor product": 14 15 1. Means any noncombustible product containing nicotine or 16 any other substance that employs a heating element, power source, 17 electronic circuit or other electronic, chemical or mechanical means, 18 regardless of the shape or size thereof, that can be used to produce 19 vapor from nicotine or any other substance in a solution or other 20 form [.], the use or inhalation of which simulates smoking. 21 2. Includes, without limitation: 22 (a) An electronic cigarette, cigar, cigarillo, for pipe, *hookah*, 23 or vape pen, or a similar product or device; and 24 (b) [A] The components of such a product or device, whether 25 or not sold separately, including, without limitation, vapor [cartridge] cartridges or other container of nicotine or any other 26 27 *substance* in a solution or other form that is intended to be used 28 with or in an electronic cigarette, cigar, cigarillo, [or] pipe, 29 *hookah, or vape pen,* or a similar product or device [], *atomizers*, cartomizers, digital displays, clearomizers, tank systems, flavors, 30 programmable software or other similar products or devices. As 31 32 used in this paragraph, "component" means a product intended primarily or exclusively to be used with or in an electronic 33 cigarette, cigar, cigarillo, pipe, hookah, or vape pen, or a similar 34 35 product or device. 36 3. Does not include any product [regulated] :

(a) Regulated by the United States Food and Drug
Administration pursuant to subchapter V of the Federal Food, Drug,
and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

40 (b) Subject to the excise tax on marijuana or marijuana 41 products pursuant to NRS 372A.200 to 372A.380, inclusive.

42 (c) Purchased by a person who holds a current, valid 43 registration certificate to operate a medical marijuana 44 establishment pursuant to chapter 453A of NRS.





- **Sec. 3.** (Deleted by amendment.) 1
- 2 Sec. 4. (Deleted by amendment.)
- Sec. 5. (Deleted by amendment.) 3
- 4 **Sec. 6.** (Deleted by amendment.)
- **Sec. 7.** (Deleted by amendment.) 5
- Sec. 7.1. 6 NRS 202.2483 is hereby amended to read as follows:
- 7 202.2483 Except as otherwise provided in subsection 3, 1. 8 smoking [tobacco] in any form is prohibited within indoor places of
- 9 employment including, but not limited to, the following:
- 10 (a) Child care facilities:
- (b) Movie theatres: 11
- 12 (c) Video arcades;
- 13 (d) Government buildings and public places;
- 14 (e) Malls and retail establishments:
- 15 (f) All areas of grocery stores; and
- 16 (g) All indoor areas within restaurants.

17 2. Without exception, smoking [tobacco] in any form is 18 prohibited within school buildings and on school property.

19 3. Smoking [tobacco] is not prohibited in:

20 (a) Areas within casinos where loitering by minors is already 21 prohibited by state law pursuant to NRS 463.350;

- 22 (b) Completely enclosed areas with stand-alone bars, taverns 23 and saloons in which patrons under 21 years of age are prohibited 24 from entering:
- 25 (c) Age-restricted stand-alone bars, taverns and saloons;
- 26 (d) Strip clubs or brothels;
- 27 (e) Retail tobacco stores;

28 (f) The area of a convention facility in which a meeting or trade 29 show is being held, during the time the meeting or trade show is occurring, if the meeting or trade show:

- (1) Is not open to the public;
- 32 (2) Is being produced or organized by a business relating to 33 tobacco or a professional association for convenience stores; and 34
 - (3) Involves the display of tobacco products; and
- 35 (g) Private residences, including private residences which may 36 serve as an office workplace, except if used as a child care, an adult 37 day care or a health care facility.

38 4. A supervisor on duty or employee of an age-restricted standalone bar, tavern or saloon or a stand-alone bar, tavern or saloon 39 40 shall not allow a person who is under 21 years of age to loiter in an age-restricted stand-alone bar, tavern or saloon or an area of a stand-41 42 alone bar, tavern or saloon where smoking is allowed pursuant to 43 this section. A person who violates the provisions of this subsection 44 is guilty of a misdemeanor.





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5. If a supervisor on duty or employee of an age-restricted stand-alone bar, tavern or saloon or a stand-alone bar, tavern or saloon violates the provisions of subsection 4, the age-restricted stand-alone bar, tavern or saloon or stand-alone bar, tavern or saloon is liable for a civil penalty of:

6 7 (a) For the first offense, \$1,000.

(b) For a second or subsequent offense, \$2,000.

6. In any prosecution or other proceeding for a violation of the provisions of subsection 4 or 5, it is no excuse for a supervisor, employee, age-restricted bar, tavern or saloon, or stand-alone bar, tavern or saloon alleged to have committed the violation to plead that a supervisor or employee believed that the person who was permitted to loiter was 21 years of age or older.

14 7. In areas or establishments where smoking is not prohibited 15 by this section, nothing in state law shall be construed to prohibit 16 the owners of said establishments from voluntarily creating 17 nonsmoking sections or designating the entire establishment as 18 smoke free.

19 8. Nothing in state law shall be construed to restrict local 20 control or otherwise prohibit a county, city or town from adopting 21 and enforcing local [tobacco] *smoking* control measures that meet 22 or exceed the minimum applicable standards set forth in this section.

23 9. "No Smoking" signs or the international "No Smoking" 24 symbol shall be clearly and conspicuously posted in every public 25 place and place of employment where smoking is prohibited by this 26 section. Each public place and place of employment where smoking 27 is prohibited shall post, at every entrance, a conspicuous sign clearly 28 stating that smoking is prohibited. All ashtrays and other smoking 29 paraphernalia shall be removed from any area where smoking is 30 prohibited.

10. Health authorities, police officers of cities or towns,
sheriffs and their deputies shall, within their respective jurisdictions,
enforce the provisions of this section and shall issue citations for
violations of this section pursuant to NRS 202.2492 and 202.24925.

11. No person or employer shall retaliate against an employee,
 applicant or customer for exercising any rights afforded by, or
 attempts to prosecute a violation of, this section.

38 12. For the purposes of this section, the following terms have39 the following definitions:

40 (a) "Age-restricted stand-alone bar, tavern or saloon" means an 41 establishment:

42 (1) Devoted primarily to the sale of alcoholic beverages to be 43 consumed on the premises;





1 (2) In which food service or sales may or may not be 2 incidental food service or sales, in the discretion of the operator of 3 the establishment;

4 (3) In which patrons under 21 years of age are prohibited at 5 all times from entering the premises; and

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(4) That must be located within:

7 (I) A physically independent building that does not share 8 a common entryway or indoor area with a restaurant, public place or 9 any other indoor workplace where smoking is prohibited by this 10 section; or

(II) A completely enclosed area of a larger structure,
which may include, without limitation, a strip mall or an airport,
provided that indoor windows must remain closed at all times and
doors must remain closed when not actively in use.

(b) "Casino" means an entity that contains a building or large room devoted to gambling games or wagering on a variety of events. A casino must possess a nonrestricted gaming license as described in NRS 463.0177 and typically uses the word 'casino' as part of its proper name.

20 (c) "Child care facility" has the meaning ascribed to it in NRS 21 441A.030.

(d) "Completely enclosed area" means an area that is enclosed
on all sides by any combination of solid walls, windows or doors
that extend from the floor to the ceiling.

25 (e) "Government building" means any building or office space 26 owned or occupied by:

(1) Any component of the Nevada System of HigherEducation and used for any purpose related to the System;

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(2) The State of Nevada and used for any public purpose; or

30 (3) Any county, city, school district or other political 31 subdivision of the State and used for any public purpose.

32 (f) "Health authority" has the meaning ascribed to it in NRS 33 202.2485.

(g) "Incidental food service or sales" means the service of
prepackaged food items including, but not limited to, peanuts,
popcorn, chips, pretzels or any other incidental food items that are
exempt from food licensing requirements pursuant to subsection 2
of NRS 446.870.

(h) "Place of employment" means any enclosed area under the
control of a public or private employer which employees frequent
during the course of employment including, but not limited to, work
areas, restrooms, hallways, employee lounges, cafeterias, conference
and meeting rooms, lobbies and reception areas.

(i) "Public places" means any enclosed areas to which the publicis invited or in which the public is permitted.





1 (j) "Restaurant" means a business which gives or offers for sale 2 food, with or without alcoholic beverages, to the public, guests or 3 employees, as well as kitchens and catering facilities in which food 4 is prepared on the premises for serving elsewhere.

5 (k) "Retail tobacco store" means a retail store utilized primarily 6 for the sale of tobacco products and accessories and in which the 7 sale of other products is merely incidental.

8 (1) "School building" means all buildings on the grounds of any 9 public school described in NRS 388.020 and any private school as 10 defined in NRS 394.103.

(m) "School property" means the grounds of any public school
described in NRS 388.020 and any private school as defined in NRS
394.103.

(n) "Smoking" means inhaling, exhaling, burning or carrying
any liquid or heated cigar, cigarette or pipe or any other lighted or
heated tobacco or plant product intended for inhalation, in any
manner or in any form. The term includes the use of an electronic
smoking device that creates an aerosol or vapor, in any manner or
in any form, and the use of any oral smoking device. As used in
this paragraph, "electronic smoking device":

21 (1) Means any product containing or delivering nicotine, a 22 product made or derived from tobacco or any other substance 23 intended for human consumption that can be used by a person to 24 simulate smoking in the delivery of nicotine or any other 25 substance through inhalation of vapor or aerosol from the 26 product.

(2) Includes any component part of a product described in
subparagraph (1), regardless of whether the component part is
sold separately.

30 (3) Does not include any product regulated by the United 31 States Food and Drug Administration pursuant to Subchapter V 32 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 352 et 33 seq.

(*o*) "Stand-alone bar, tavern or saloon" means an establishment:

(1) Devoted primarily to the sale of alcoholic beverages to beconsumed on the premises;

(2) In which food service or sales may or may not be
incidental food service or sales, in the discretion of the operator of
the establishment;

40 (3) In which smoke from such establishments does not 41 infiltrate into areas where smoking is prohibited under the 42 provisions of this section; and

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(4) That must be housed in either:

44 (I) A physically independent building that does not share 45 a common entryway or indoor area with a restaurant, public place or





1 any other indoor workplaces where smoking is prohibited by this 2 section: or

3 (II) A completely enclosed area of a larger structure, such 4 as a strip mall or an airport, provided that indoor windows must remain shut at all times and doors must remain closed when not 5 6 actively in use.

7 (o) (v) "Video arcade" has the meaning ascribed to it in 8 paragraph (d) of subsection 3 of NRS 453.3345.

9 Any statute or regulation inconsistent with this section is 13. 10 null and void.

The provisions of this section are severable. If any 11 14. 12 provision of this section or the application thereof is declared by a 13 court of competent jurisdiction to be invalid or unconstitutional, 14 such declaration shall not affect the validity of the section as a 15 whole or any provision thereof other than the part declared to be 16 invalid or unconstitutional.

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Sec. 7.3. NRS 202.2485 is hereby amended to read as follows:

202.2485 As used in NRS 202.2485 to 202.2497, inclusive:

"Alternative nicotine product" means any noncombustible 19 1. 20 product containing nicotine that is intended for human consumption, 21 whether chewed, absorbed, dissolved or ingested by any other 22 means. The term does not include:

23 (a) A vapor product;

(b) A product made or derived from tobacco; or

25 (c) Any product regulated by the United States Food and Drug 26 Administration under Subchapter V of the Federal Food, Drug, and 27 Cosmetic Act, 21 U.S.C. §§ 351 et seq.

28 2. "Distribute" includes furnishing, giving away or providing 29 products made or derived from tobacco or samples thereof at no cost 30 to promote the product, whether or not in combination with a sale.

"Health authority" means the district health officer in a 31 3. 32 district, or his or her designee, or, if none, the Chief Medical 33 Officer, or his or her designee.

"Product made or derived from tobacco" does not include 34 4. 35 any product regulated by the United States Food and Drug 36 Administration pursuant to Subchapter V of the Federal Food, Drug, 37 and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

38 5. "Vapor product":

39 (a) Means any noncombustible product containing nicotine *or* 40 any other substance that employs a heating element, power source, 41 electronic circuit or other electronic, chemical or mechanical means, 42 regardless of the shape or size thereof, that can be used to produce 43 vapor from nicotine *or any other substance* in a solution or other 44 form [.], the use or inhalation of which simulates smoking. 45

(b) Includes, without limitation:





1 (1) An electronic cigarette, cigar, cigarillo, [or] pipe, 2 *hookah or vape pen* or a similar product or device; and

(2) [A] The components of such a product or device, 3 whether or not sold separately, including, without limitation, vapor 4 5 [cartridge] cartridges or other container of nicotine or any other 6 *substance* in a solution or other form that is intended to be used with or in an electronic cigarette, cigar, cigarillo, [or] pipe, 7 8 *hookah, or vape pen*, or a similar product or device [], *atomizers*, 9 cartomizers, digital displays, clearomizers, tank systems, flavors, programmable software or other similar products or devices. As 10 used in this subparagraph, "component" means a product or 11 12 device intended primarily or exclusively to be used with or in an 13 electronic cigarette, cigar, cigarillo, pipe, hookah, or vape pen, or 14 a similar product or device.

(c) Does not include any product regulated by the United States
Food and Drug Administration pursuant to Subchapter V of the
Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

Sec. 7.4. NRS 202.249 is hereby amended to read as follows:

19 202.249 1. It is the public policy of the State of Nevada and 20 the purpose of NRS 202.2491, 202.24915 and 202.2492 to place 21 restrictions on the smoking of tobacco in public places to protect 22 human health and safety.

2. The quality of air is declared to be affected with the public
interest and NRS 202.2491, 202.24915 and 202.2492 are enacted in
the exercise of the police power of this state to protect the health,
peace, safety and general welfare of its people.

27 3. Health authorities, police officers of cities or towns, sheriffs 28 and their deputies and other peace officers of this state shall, within 29 their respective jurisdictions, enforce the provisions of NRS 202.2491, 202.24915 and 202.2492. Police officers of cities or 30 towns, sheriffs and their deputies and other peace officers of this 31 32 state shall, within their respective jurisdictions, enforce the provisions of NRS 202.2493, 202.24935 and 202.2494 [] and 33 34 section 1 of this act.

35 4. Except as otherwise provided in subsection 5, an agency, 36 board, commission or political subdivision of this state, including, 37 without limitation, any agency, board, commission or governing body of a local government, shall not impose more stringent 38 39 restrictions on the smoking, use, sale, distribution, marketing, 40 display or promotion of tobacco or products made or derived from tobacco than are provided by NRS 202.2491, 202.24915, 202.2492, 41 42 202.2493, 202.24935 and 202.2494 - and section 1 of this act.

43 5. A school district may, with respect to the property, 44 buildings, facilities and vehicles of the school district, impose more 45 stringent restrictions on the smoking, use, sale, distribution,



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marketing, display or promotion of tobacco or products made or 1 2 derived from tobacco than are provided by NRS 202.2491, 3 202.24915, 202.2492, 202.2493, 202.24935 and 202.2494 H and 4 section 1 of this act.

Sec. 7.5. NRS 202.2493 is hereby amended to read as follows:

6 202.2493 1. A person shall not sell, distribute or offer to sell 7 cigarettes, any smokeless product made or derived from tobacco or 8 any alternative nicotine product in any form other than in an 9 unopened package which originated with the manufacturer and bears any health warning required by federal law. A person who 10 violates this subsection shall be punished by a fine of \$100 and a 11 12 civil penalty of \$100. As used in this subsection, "smokeless 13 product made or derived from tobacco" means any product that 14 consists of cut, ground, powdered or leaf tobacco and is intended to 15 be placed in the oral or nasal cavity.

16 2. **Except as otherwise provided in subsections 3, 4 and 5, it is** unlawful for any person to sell, distribute or offer to sell cigarettes, 17 cigarette paper, tobacco of any description, products made or 18 derived from tobacco, vapor products or alternative nicotine 19

20 products to any child under the age of 18 years. A person who

21 violates this subsection shall be punished by a fine of not more than 22 \$500 and a civil penalty of not more than \$500.

23 3. A person shall be deemed to be in compliance with the 24 provisions of subsection 2 if, before the person sells, distributes or 25 offers to sell to another, cigarettes, cigarette paper, tobacco of any 26 description, products made or derived from tobacco, vapor products 27 or alternative nicotine products, the person:

28 (a) Demands that the other person present a valid driver's 29 license, permanent resident card, tribal identification card or other 30 written or documentary evidence which shows that the other person

31 is 18 years of age or older;

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32 (b) Is presented a valid driver's license, permanent resident card, 33 tribal identification card or other written or documentary evidence 34

which shows that the other person is 18 years of age or older; and

35 (c) Reasonably relies upon the driver's license, permanent 36 resident card, tribal identification card or written or documentary 37 evidence presented by the other person.

38 <u>4. The employer of a child who is under 18 years of age may,</u> 39 for the purpose of allowing the child to handle or transport tobacco, 40 products made or derived from tobacco, vapor products or 41 alternative nicotine products, in the course of the child's lawful 42 employment, provide tobacco, products made or derived from 43 tobacco, vapor products or alternative nicotine products to the child.





1 <u>5. With respect to any sale made by an employee of a retail</u> 2 establishment, the owner of the retail establishment shall be deemed

3 to be in compliance with the provisions of subsection 2 if the owner:

4 (a) Had no actual knowledge of the sale; and

(b) Establishes and carries out a continuing program of training
 for employees which is reasonably designed to prevent violations of
 subsection 2.

8 <u>6.</u>] The owner of a retail establishment shall, whenever any 9 product made or derived from tobacco, vapor product or alternative 10 nicotine product is being sold or offered for sale at the 11 establishment, display prominently at the point of sale:

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(a) A notice indicating that:

(1) The sale of cigarettes, other tobacco products, vapor
 products and alternative nicotine products to minors is prohibited by
 law; and

16 (2) The retailer may ask for proof of age to comply with this 17 prohibition; and

18 (b) At least one sign that complies with the requirements of 19 NRS 442.340.

20 \rightarrow A person who violates this subsection shall be punished by a fine 21 of not more than \$100.

It is unlawful for any retailer to sell cigarettes through
the use of any type of display:

(a) Which contains cigarettes and is located in any area to whichcustomers are allowed access; and

(b) From which cigarettes are readily accessible to a customerwithout the assistance of the retailer,

28 \rightarrow except a vending machine used in compliance with NRS 29 202.2494. A person who violates this subsection shall be punished 30 by a fine of not more than \$500.

31 [8. Any money recovered pursuant to this section as a civil

penalty must be deposited in a separate account in the State General
 Fund to be used for the enforcement of this section and

34 NRS 202.2494.]

35 Sec. 7.7. NRS 202.24935 is hereby amended to read as 36 follows:

202.24935 1. It is unlawful for a person to knowingly sell or
distribute cigarettes, cigarette paper, tobacco of any description,
[or] products made or derived from tobacco, vapor products or
alternative nicotine products to a child under the age of 18 years
through the use of [the Internet.] a computer network, telephonic
network or other electronic network.

43 2. A person who violates the provisions of subsection 1 shall
44 be punished by a fine of not more than \$500 and a civil penalty of
45 not more than \$500. Any money recovered pursuant to this section





1 as a civil penalty must be deposited in the same manner as money is

deposited pursuant to subsection [8] 9 of [NRS 202.2493.] section 1
of this act.

Every person who sells or distributes cigarettes, cigarette 4 3. paper, tobacco of any description , [or] products made or derived 5 6 from tobacco, vapor products or alternative nicotine products 7 through the use of [the Internet] a computer network, telephonic 8 network or electronic network shall fadopt a policy to prevent a child under the age of 18 years from obtaining cigarettes, cigarette 9 paper, tobacco of any description or products made or derived from 10 11 tobacco from the person through the use of the Internet. The policy must include, without limitation, a method for ensuring]: 12

13 (a) **Ensure** that [the person who delivers such items obtains the 14 signature of a person who is over the age of 18 years when 15 delivering the items, that] the packaging or wrapping of the items when they are shipped is clearly marked with the word "cigarettes" 16 17 or, *if the item being shipped are not cigarettes*, the words "tobacco products ." [," and that the person complies with the provisions of 18 19 15 U.S.C. § 376. A person who fails to adopt a policy pursuant to 20 this subsection is guilty of a misdemeanor and shall be punished by 21 a fine of not more than \$500.1

22 (b) Perform an age verification through an independent, third-23 party age verification service that compares information available 24 from public records to the personal information entered by the 25 person during the ordering process that establishes that the person 26 is over the age of 18 years and use a method of mail, shipping or 27 delivery that requires the signature of a person over the age of 18 28 years before the items are released to the purchaser, unless the 29 person:

30

39

(1) Requires the customer to:

(I) Create an online profile or account with personal
information, including, without limitation, a name, address, social
security number and a valid phone number, that is verified
through publicly available records; or

(II) Upload a copy of a government-issued identification
 card that includes a photograph of the customer; and

37 (2) Sends the package containing the items to the name and
38 address of the customer who ordered the items.

Sec. 7.9. NRS 202.2496 is hereby amended to read as follows:

40 202.2496 1. As necessary to comply with any applicable 41 federal law, the Attorney General shall conduct random, 42 unannounced inspections at locations where tobacco, products made 43 or derived from tobacco, vapor products and alternative nicotine 44 products are sold, distributed or offered for sale to inspect for and 45 enforce compliance with NRS 202.2493 and 202.2494 [,] and





section 1 of this act, as applicable. For assistance in conducting any
 such inspection, the Attorney General may contract with:

3 (a) Åny sheriff's department;

4

(b) Any police department; or

5 (c) Any other person who will, in the opinion of the Attorney 6 General, perform the inspection in a fair and impartial manner.

7 2. If the inspector desires to enlist the assistance of a child 8 under the age of 18 for such an inspection, the inspector shall obtain 9 the written consent of the child's parent for such assistance.

10 3. A child assisting in an inspection pursuant to this section 11 shall, if questioned about his or her age, state his or her true age and 12 that he or she is under 18 years of age.

13 4. If a child is assisting in an inspection pursuant to this 14 section, the person supervising the inspection shall:

15 (a) Refrain from altering or attempting to alter the child's 16 appearance to make the child appear to be 18 years of age or older.

(b) Photograph the child immediately before the inspection is to
occur and retain any photographs taken of the child pursuant to this
paragraph.

5. The person supervising an inspection using the assistance of a child shall, within a reasonable time after the inspection is completed:

(a) Inform a representative of the business establishment from
 which the child attempted to purchase tobacco, products made or
 derived from tobacco, vapor products or alternative nicotine
 products that an inspection has been performed and the results of
 that inspection.

(b) Prepare a report regarding the inspection. The report mustinclude the following information:

30 (1) The name of the person who supervised the inspection 31 and that person's position;

32 (2) The age and date of birth of the child who assisted in the 33 inspection;

34 (3) The name and position of the person from whom the
35 child attempted to purchase tobacco, products made or derived from
36 tobacco, vapor products or alternative nicotine products;

(4) The name and address of the establishment at which the
child attempted to purchase tobacco, products made or derived from
tobacco, vapor products or alternative nicotine products;

40

(5) The date and time of the inspection; and

41 (6) The result of the inspection, including whether the 42 inspection resulted in the sale, distribution or offering for sale of 43 tobacco, products made or derived from tobacco, vapor products or 44 alternative nicotine products to the child.





6. No *administrative*, civil or criminal action based upon an alleged violation of NRS 202.2493 or 202.2494 *or section 1 of this act* may be brought as a result of an inspection for compliance in which the assistance of a child has been enlisted unless the inspection has been conducted in accordance with the provisions of this section.

- 7 Sec. 8. (Deleted by amendment.)
- 8 Sec. 9. (Deleted by amendment.)
- 9 Sec. 10. (Deleted by amendment.)
- 10 Sec. 11. (Deleted by amendment.)
- 11 Sec. 12. (Deleted by amendment.)
- 12 Sec. 13. (Deleted by amendment.)
- 13 Sec. 14. (Deleted by amendment.)

14 **Sec. 14.5.** 1. There is hereby appropriated from the State 15 General Fund to the Department of Health and Human Services for 16 programs to control and prevent the use of tobacco the following 17 sums:

18

For Fiscal Year 2019-2020.....\$2,500,000

19

For Fiscal Year 2020-2021.....\$2,500,000

20 2. Any remaining balance of the appropriation made by 21 subsection 1 for Fiscal Year 2019-2020 must be added to the money 22 appropriated for Fiscal Year 2020-2021 and may be expended as 23 that money is expended. Any remaining balance of the appropriation 24 made by subsection 1 for Fiscal Year 2020-2021, including any such 25 money added from the previous fiscal year, must not be committed 26 for expenditure after June 30, 2021, by the entity to which the 27 appropriation is made or any entity to which money from the 28 appropriation is granted or otherwise transferred in any manner, and 29 any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2021, by either the entity to 30 31 which the money was appropriated or the entity to which the money 32 was subsequently granted or transferred, and must be reverted to the 33 State General Fund on or before September 17, 2021.

34 Sec. 15. 1. This section and section 14.5 of this act become 35 effective on July 1, 2019.

2. Sections 1 to 2, inclusive, and 7.1 to 7.9, inclusive, of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act, and on January 1, 2020, for all other purposes.



