

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 527

By: Bullard

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5  
6 AS INTRODUCED

7 An Act relating to cigarette and tobacco products  
8 sales; prohibiting wholesalers from selling products  
9 to a retailer appearing on specified delinquency  
10 list; defining term; requiring Oklahoma Tax  
11 Commission to prepare and make public certain list;  
12 establishing criteria and procedures for development  
13 of list; establishing requirements for wholesalers;  
14 establishing penalties; providing for codification;  
15 and providing an effective date.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 312.2 of Title 68, unless there  
19 is created a duplication in numbering, reads as follows:

20 A. No wholesaler shall sell, offer to sell, or deliver any  
21 cigarettes or tobacco products to any retailer in this state if such  
22 retailer is shown as delinquent on the Oklahoma Tax Commission's  
23 Cigarette and Tobacco Retailer Delinquency List, created pursuant to  
24 subsection C of this section. For purposes of this section,  
"wholesalers" and "retailers" shall mean those licensed pursuant to  
Section 304 of Title 68 of the Oklahoma Statutes.

1 B. For purposes of this section, "delinquent" or "delinquency"  
2 shall mean when payment for cigarettes or tobacco products,  
3 according to the terms of the invoice, has not been received by the  
4 wholesaler from the retailer within fourteen (14) days of the date  
5 such payment is due or when payment has been returned for  
6 insufficient funds pursuant to a check or Automated Clearing House  
7 electronic transaction.

8 C. The Oklahoma Tax Commission shall prepare and maintain a  
9 list of all retailers who are delinquent in payment to a wholesaler.  
10 The Cigarette and Tobacco Retailer Delinquency List shall be posted  
11 on the internet and shall be updated each business day. Retailers  
12 shall be established as delinquent by the Tax Commission if a  
13 wholesaler:

14 1. Submits a request to the Tax Commission, the form of which  
15 shall be established by agency rule;

16 2. Provides documentation of the delinquency, which includes  
17 but is not limited to, the invoice verifying the terms of the sale;  
18 and

19 3. Provides documentation that the wholesaler notified the  
20 retailer within forty-eight (48) hours of the request to the Tax  
21 Commission.

22 D. Within forty-eight (48) hours of a payment which satisfies  
23 the terms of the invoice, a wholesaler shall be required to notify  
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1 the Tax Commission that the retailer is no longer delinquent and the  
2 Tax Commission shall remove the retailer from the list.

3 E. Any wholesaler who violates the provisions of this section  
4 shall be subject to an administrative penalty not to exceed One  
5 Thousand Dollars (\$1,000.00) for the first offense, Five Thousand  
6 Dollars (\$5,000.00) for a second offense and suspension of license  
7 for a subsequent offense.

8 SECTION 2. This act shall become effective November 1, 2019.

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10 57-1-1286 JCR 1/17/2019 8:42:23 AM

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