



- 30           **26-42-103**, as enacted by Laws of Utah 1998, Chapter 319
- 31           **59-14-203.5**, as enacted by Laws of Utah 1998, Chapter 319
- 32           **59-14-301**, as last amended by Laws of Utah 1998, Chapter 319
- 33           **59-14-301.5**, as enacted by Laws of Utah 1998, Chapter 319

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35 *Be it enacted by the Legislature of the state of Utah:*

36           Section 1. Section **26-42-103** is amended to read:

37           **26-42-103. Violations and penalties -- Imposition by enforcing agency and tax**  
38 **commission.**

39           (1) If, following an investigation or issuance of a citation or information under Section  
40 77-39-101, an enforcing agency determines under Section 26-42-104 that a licensee or any  
41 employee has sold tobacco to a person younger than 19 years of age, as prohibited by Section  
42 76-10-104, the enforcing agency may impose upon the licensee the following administrative  
43 penalties:

44           (a) upon the first violation, a penalty of not more than \$300;

45           (b) upon a second violation at the same retail location, and within 12 months of the  
46 first violation, a penalty of not more than \$750; and

47           (c) upon a third or subsequent violation at the same retail location and within 12  
48 months of the first violation, a penalty of not more than \$1,000.

49           (2) The enforcing agency shall notify the commission in writing of any order or order  
50 of default finding a violation of Subsection (1) which is a third or fourth violation.

51           (3) The commission, upon receipt of the written notification under Subsection (2), shall  
52 take action under Section 59-14-203.5 or 59-14-301.5 against the license to sell tobacco:

53           (a) by suspending the licensee's license to sell tobacco at that location for not more  
54 than 30 days, upon receipt of notification of a third violation under Subsection (1)(c); and

55           (b) by revoking the license to sell tobacco at that location held by the licensee,  
56 including any license under suspension, upon receipt of notification of a fourth violation under  
57 Subsection (1)©.

58 (4) When the commission revokes a license under Subsection (3)(b), the commission  
59 may not issue to the licensee, or to the business entity using the license that is revoked, a  
60 license under Section ~~[59-14-201]~~ 59-14-202 or 59-14-301 to sell tobacco at the location for  
61 which the license was issued for one year after ~~[the date of the violation for which the license~~  
62 ~~was revoked.]~~:

- 63 (a) the day on which the time for filing an appeal of the revocation ends; or
- 64 (b) if the revocation is appealed, the day on which the decision to uphold the  
65 revocation becomes final.

66 (5) This section does not prevent any bona fide purchaser of the business, who is not a  
67 sole proprietor, director, corporate officer, or partner or other holder of significant interest in  
68 the entity selling the business, from immediately applying for and obtaining a license to sell  
69 tobacco.

70 Section 2. Section **59-14-203.5** is amended to read:

71 **59-14-203.5. Commission action to suspend or revoke license.**

72 (1) (a) The commission shall suspend or revoke licenses to sell tobacco, as required  
73 under Section 26-42-103 regarding suspension or revocation of a license due to the sale of  
74 cigarettes to a person younger than 19 years of age, upon receipt of notice of an enforcing  
75 agency's finding of a violation of Section 26-42-103.

76 (b) The commission shall provide written notice of the suspension or revocation to the  
77 licensee.

78 (2) It is the duty of the enforcing agency to advise the commission of any finding of a  
79 violation of Section 26-42-103 for which suspension or revocation of the license is a penalty.

80 (3) When the commission revokes a licensee's license under this section the  
81 commission may not issue to the licensee, or to the business entity using the license that is  
82 revoked, a license under Section 59-14-202 or 59-14-301 to sell tobacco at the location for  
83 which the license was issued for one year after ~~[the date of the violation for which the license~~  
84 ~~was revoked.]~~:

- 85 (a) the day on which the time for filing an appeal of the revocation ends; or

86 (b) if the revocation is appealed, the day on which the decision to uphold the  
87 revocation becomes final.

88 Section 3. Section **59-14-301** is amended to read:

89 **59-14-301. Registration and licensing -- Fee -- Bond exceptions.**

90 (1) All manufacturers and distributors of all tobacco products, as defined in Section  
91 59-14-102, who are responsible for the collection of tax on tobacco products under this chapter,  
92 and all retailers of all tobacco products [~~shall~~]:

93 (a) shall register with the commission; [~~and~~]

94 (b) shall be licensed by the commission under [~~Section 59-14-202.~~] Part 2, Cigarettes;  
95 and

96 (c) are subject to the requirements, procedures, and penalties described in Part 2,  
97 Cigarettes.

98 (2) A fee may not be charged for registration and licensing of manufacturers, jobbers,  
99 distributors, or retailers of tobacco products in addition to the cigarette license if such a license  
100 is required.

101 (3) The commission shall require any manufacturer, wholesaler, retailer, or any other  
102 person subject to this section, and who is responsible for the collection of tax on tobacco  
103 products under this chapter, to post a bond as a prerequisite to registering. The bond shall be in  
104 a form and an amount determined by the commission. If the bond is required under Section  
105 59-14-201, the bond may be a combination, the minimum amount of which shall be \$1,000.

106 Section 4. Section **59-14-301.5** is amended to read:

107 **59-14-301.5. Commission action to suspend or revoke license.**

108 (1) (a) The commission shall suspend or revoke licenses to sell tobacco, as required  
109 under Section 26-42-103 regarding suspension or revocation of a license due to the sale of  
110 tobacco products to a person younger than 19 years of age, upon receipt of notice of an  
111 enforcing agency's order or order of default, finding a violation of Section 26-42-103.

112 (b) The commission shall provide written notice of the suspension or revocation to the  
113 licensee.

114           (2) It is the duty of the enforcing agency to advise the commission of any order or order  
115 of default finding a violation of Section 26-42-103, for which suspension or revocation of the  
116 license is a penalty.

117           (3) When the commission revokes a licensee's license under this section the  
118 commission may not issue to the licensee, or to the business entity using the license that is  
119 revoked, a license under Section 59-14-202 or 59-14-301 to sell tobacco at the location for  
120 which the license was issued for one year after [~~the date of the violation for which the license~~  
121 ~~was revoked.~~];

122           (a) the day on which the time for filing an appeal of the revocation ends; or

123           (b) if the revocation is appealed, the day on which the decision to uphold the  
124 revocation becomes final.