

1 **CIGARETTE AND TOBACCO TAX AND LICENSING**

2 **AMENDMENTS**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Wayne A. Harper**

6 House Sponsor: Paul Ray

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Cigarette and Tobacco Tax and Licensing chapter to address
11 taxation and regulation related to cigarettes and tobacco products.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ defines terms;
- 15 ▶ modifies certain reporting requirements to the State Tax Commission related to
16 cigarettes;
- 17 ▶ addresses the taxation of a little cigar or cigarette produced from a cigarette rolling
18 machine;
- 19 ▶ addresses the applicability of certain tax provisions to a cigarette produced from a
20 cigarette rolling machine;
- 21 ▶ provides for a credit or refund of tax for a cigarette rolling machine operator under
22 certain circumstances;
- 23 ▶ enacts the Cigarette Rolling Machine Operators Act, including:
 - 24 • requiring the certification and renewal of certification of cigarette rolling
25 machine operators by the State Tax Commission under certain circumstances;
 - 26 • providing procedures and requirements for a cigarette rolling machine operator
27 to obtain certification or renewal of certification;
 - 28 • requiring a cigarette rolling machine operator to make certain reports to the
29 State Tax Commission;

- 30 • requiring a cigarette rolling machine operator to maintain a secure meter on a
- 31 cigarette rolling machine;
- 32 • addressing the denial or revocation of certification of a cigarette rolling machine
- 33 operator;
- 34 • addressing appeals;
- 35 • requiring a cigarette rolling machine operator to remove a cigarette rolling
- 36 machine from its premises under certain circumstances; and
- 37 • granting rulemaking authority to the State Tax Commission; and
- 38 ▶ makes technical and conforming changes.

39 **Money Appropriated in this Bill:**

40 None

41 **Other Special Clauses:**

42 This bill takes effect on July 1, 2013.

43 **Utah Code Sections Affected:**

44 AMENDS:

45 **59-14-102**, as last amended by Laws of Utah 2011, Chapter 229

46 **59-14-201**, as last amended by Laws of Utah 2004, Chapter 217

47 **59-14-214**, as last amended by Laws of Utah 2011, Chapter 164

48 **59-14-302**, as last amended by Laws of Utah 2011, Chapter 229

49 **59-14-601**, as enacted by Laws of Utah 2005, Chapter 204

50 ENACTS:

51 **59-14-305**, Utah Code Annotated 1953

52 **59-14-701**, Utah Code Annotated 1953

53 **59-14-702**, Utah Code Annotated 1953

54 **59-14-703**, Utah Code Annotated 1953

55 **59-14-704**, Utah Code Annotated 1953

56 **59-14-705**, Utah Code Annotated 1953

57 **59-14-706**, Utah Code Annotated 1953

58 **59-14-707**, Utah Code Annotated 1953

59

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

61 Section 1. Section **59-14-102** is amended to read:

62 **59-14-102. Definitions.**

63 As used in this chapter:

64 (1) "Cigarette" means a roll for smoking made wholly or in part of tobacco:

65 (a) regardless of:

66 (i) the size of the roll;

67 (ii) the shape of the roll; or

68 (iii) whether the tobacco is:

69 (A) flavored;

70 (B) adulterated; or

71 (C) mixed with any other ingredient; and

72 (b) if the wrapper or cover of the roll is made of paper or any other substance or
73 material except tobacco.

74 (2) "Cigarette rolling machine" means a device or machine that has the capability to
75 produce at least 150 cigarettes in less than 30 minutes.

76 (3) "Cigarette rolling machine operator" means a person who:

77 (a) (i) controls, leases, owns, possesses, or otherwise has available for use a cigarette
78 rolling machine; and

79 (ii) makes the cigarette rolling machine available for use by another person to produce
80 a cigarette; or

81 (b) offers for sale, at retail, a cigarette produced from the cigarette rolling machine.

82 [~~(2)~~] (4) "Consumer" means a person that is not required:

83 (a) under Section 59-14-201 to obtain a license under Section 59-14-202; or

84 (b) under Section 59-14-301 to obtain a license under Section 59-14-202.

85 [~~(3)~~] (5) "Counterfeit cigarette" means:

86 (a) a cigarette that has a false manufacturing label; or

87 (b) a package of cigarettes bearing a counterfeit tax stamp.

88 [~~(4)~~] (6) "Importer" means a person who imports into the United States, either directly
89 or indirectly, a finished cigarette for sale or distribution.

90 [~~(5)~~] (7) "Indian tribal entity" means a federally recognized Indian tribe, tribal entity, or
91 any other person doing business as a distributor or retailer of cigarettes on tribal lands located
92 in the state.

93 [~~(6)~~] (8) "Little cigar" means a roll for smoking:

94 (a) made wholly or in part of tobacco;

95 (b) that uses an integrated cellulose acetate filter or other similar filter; and

96 (c) that is wrapped in a substance:

97 (i) containing tobacco; and

98 (ii) that is not exclusively natural leaf tobacco.

99 [~~(7)~~ "Manufacturer"]

100 (9) (a) Except as provided in Subsection (9)(b), "manufacturer" means a person who
101 manufactures, fabricates, assembles, processes, or labels a finished cigarette.

102 (b) "Manufacturer" does not include a cigarette rolling machine operator.

103 [~~(8)~~] (10) "Moist snuff" means tobacco that:

104 (a) is finely:

105 (i) cut;

106 (ii) ground; or

107 (iii) powdered;

108 (b) has at least 45% moisture content, as determined by the commission by rule made
109 in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

110 (c) is not intended to be:

111 (i) smoked; or

112 (ii) placed in the nasal cavity; and

113 (d) except for single-use pouches of loose tobacco, is not packaged, produced, sold, or

114 distributed in single-use units, including:

- 115 (i) tablets;
- 116 (ii) lozenges;
- 117 (iii) strips;
- 118 (iv) sticks; or
- 119 (v) packages containing multiple single-use units.

120 [~~(9)~~] (11) "Retailer" means a person that:

- 121 (a) sells or distributes a cigarette to a consumer in the state; or
- 122 (b) intends to sell or distribute a cigarette to a consumer in the state.

123 [~~(10)~~] (12) "Stamp" means the indicia required to be placed on a cigarette package that
124 evidences payment of the tax on cigarettes required by Section 59-14-205.

125 [~~(11)~~] (13) (a) "Tobacco product" means a product made of, or containing, tobacco.

126 (b) "Tobacco product" includes:

127 (i) a cigarette produced from a cigarette rolling machine;

128 [~~(i)~~] (ii) a little cigar; or

129 [~~(ii)~~] (iii) moist snuff.

130 (c) "Tobacco product" does not include a cigarette.

131 [~~(12)~~] (14) "Tribal lands" means land held by the United States in trust for a federally
132 recognized Indian tribe.

133 Section 2. Section **59-14-201** is amended to read:

134 **59-14-201. License -- Application of part -- Fee -- Bond -- Exceptions.**

135 (1) It is unlawful for any person in this state to manufacture, import, distribute, barter,
136 sell, exchange, or offer cigarettes for sale without first having obtained a license issued by the
137 commission under Section 59-14-202.

138 (2) Except for the tax rates described in Subsection 59-14-204(2), this part does not
139 apply to a cigarette produced from a cigarette rolling machine.

140 [~~(3)~~] (3) (a) A license may not be issued for the sale of cigarettes until the applicant has
141 paid a license fee of \$30 or a license renewal fee of \$20, as appropriate.

142 (b) The fee for reinstatement of a license that has been revoked, suspended, or allowed
143 to expire is \$30.

144 ~~[(3)]~~ (4) (a) A license may not be issued until the applicant files a bond with the
145 commission. The commission shall determine the form and the amount of the bond, the
146 minimum amount of which shall be \$500. The bond shall be executed by the applicant as
147 principal, with a corporate surety, payable to the state and conditioned upon the faithful
148 performance of all the requirements of this chapter, including the payment of all taxes,
149 penalties, and other obligations.

150 (b) ~~[Applicants are]~~ An applicant is not required to post a bond ~~[who]~~ if the applicant:

151 (i) ~~[purchase]~~ purchases during the license year only products ~~[which]~~ that have the
152 proper state stamp affixed as required by this chapter; and

153 (ii) ~~[file]~~ files an affidavit with ~~[their]~~ the applicant's application attesting to this fact.

154 Section 3. Section **59-14-214** is amended to read:

155 **59-14-214. Nonparticipating manufacturer equity assessment.**

156 (1) As used in this section, "nonparticipating manufacturer" means a tobacco product
157 manufacturer, as defined in Section 59-22-202, that is not a participating manufacturer within
158 the meaning of Subsection II(jj) of the Master Settlement Agreement, as defined in Section
159 59-22-202.

160 (2) (a) There is levied an equity assessment, at the rate of 1.75 cents on each cigarette,
161 for all cigarette packages of nonparticipating manufacturers to which a stamp is affixed as
162 required under Section 59-14-205.

163 (b) The equity assessment imposed by this section is in addition to all other
164 assessments, fees, and taxes levied under existing law.

165 (c) The equity assessment imposed by this section shall be paid by affixing a stamp in
166 the manner and at the time described in Section 59-14-205.

167 (d) Except as otherwise provided in this section, the equity assessment shall be
168 collected, paid, administered, and enforced in the same manner as the tax on cigarettes levied
169 by Section 59-14-204.

170 (3) The purposes of this equity assessment are:

171 (a) to recover health care costs to the state imposed by nonparticipating manufacturers;

172 (b) to prevent nonparticipating manufacturers from undermining the state's policy of

173 reducing underage smoking by offering cigarettes for sale substantially below the prices of

174 cigarettes of other manufacturers;

175 (c) to protect funding, which is reduced as a result of the growth of nonparticipating

176 manufacturer cigarette sales, for programs funded in whole or in part by payments to the state

177 under the Master Settlement Agreement, as defined in Section 59-22-202;

178 (d) to recoup settlement-payment revenue lost to the state as a result of

179 nonparticipating manufacturer cigarette sales; and

180 (e) to fund enforcement and administration of:

181 (i) Chapter 14, Part 6, Tobacco Manufacturer Stamping Enforcement Provisions;

182 (ii) Sections 59-22-201 through 59-22-203, related to nonparticipating manufacturers;

183 and

184 (iii) the equity assessment imposed by this section.

185 (4) Each manufacturer, distributor, wholesaler, or retail dealer who under Section

186 59-14-205 affixes a stamp to a package of cigarettes, shall report [~~monthly~~] quarterly to the

187 commission for each place of business, the number and denominations of stamps affixed to

188 individual packages of nonparticipating manufacturer cigarettes sold by the manufacturer,

189 distributor, wholesaler, or retail dealer in the preceding [~~month~~] quarter, including the

190 manufacturer and brand family.

191 (5) A person required to file a report under this section who fails to timely file the

192 report, or who provides false or misleading information on, or in relation to, the report:

193 (a) is guilty of a class B misdemeanor; and

194 (b) is subject to:

195 (i) revocation or suspension of a license under Part 2, Cigarettes; and

196 (ii) a civil penalty, imposed by the commission, in an amount that does not exceed the

197 greater of:

198 (A) 500% of the retail value of the cigarettes for which an accurate report was not
199 filed; or

200 (B) \$5,000.

201 Section 4. Section **59-14-302** is amended to read:

202 **59-14-302. Tax basis -- Rates.**

203 (1) As used in this section:

204 (a) "Manufacturer's sales price" means the amount the manufacturer of a tobacco
205 product charges after subtracting a discount.

206 (b) "Manufacturer's sales price" includes an original Utah destination freight charge,
207 regardless of:

208 (i) whether the tobacco product is shipped f.o.b. origin or f.o.b. destination; or

209 (ii) who pays the original Utah destination freight charge.

210 (2) There is levied a tax upon the sale, use, or storage of tobacco products in the state.

211 (3) ~~[The]~~ (a) Subject to Subsection (3)(b), the tax levied under Subsection (2) shall be
212 paid by the manufacturer, jobber, distributor, wholesaler, retailer, user, or consumer.

213 (b) The tax levied under Subsection (2) on a cigarette produced from a cigarette rolling
214 machine shall be paid by the cigarette rolling machine operator.

215 (4) For tobacco products except for moist snuff ~~[or]~~, a little cigar, or a cigarette
216 produced from a cigarette rolling machine, the rate of the tax under this section is .86
217 multiplied by the manufacturer's sales price.

218 (5) (a) Subject to Subsection (5)(b), the tax under this section on moist snuff is
219 imposed:

220 (i) at a rate of \$1.83 per ounce; and

221 (ii) on the basis of the net weight of the moist snuff as listed by the manufacturer.

222 (b) If the net weight of moist snuff is in a quantity that is a fractional part of one ounce,
223 a proportionate amount of the tax described in Subsection (5)(a) is imposed:

224 (i) on that fractional part of one ounce; and

225 (ii) in accordance with rules made by the commission in accordance with Title 63G,

226 Chapter 3, Utah Administrative Rulemaking Act.

227 (6) (a) A little cigar is taxed ~~[in the same]~~ at the same tax rates manner as a cigarette is
228 taxed under Subsection 59-14-204(2).

229 (b) (i) Subject to Subsection (6)(b)(ii), a cigarette produced from a cigarette rolling
230 machine is taxed at the same tax rates as a cigarette is taxed under Subsection 59-14-204(2).

231 (ii) A tax under this Subsection (6)(b) is imposed on the date the cigarette is produced
232 from the cigarette rolling machine.

233 (7) (a) Moisture content of a tobacco product is determined at the time of packaging.

234 (b) A manufacturer who distributes a tobacco product in, or into, Utah, shall:

235 (i) for a period of three years after the last day on which the manufacturer distributes
236 the tobacco product in, or into, Utah, keep valid scientific evidence of the moisture content of
237 the tobacco product available for review by the commission, upon demand; and

238 (ii) provide a document, to the person described in Subsection (3) to whom the
239 manufacturer distributes the tobacco product, that certifies the moisture content of the tobacco
240 product, as verified by the scientific evidence described in Subsection (7)(b)(i).

241 (c) A manufacturer who fails to comply with the requirements of Subsection (7)(b) is
242 liable for the nonpayment or underpayment of taxes on the tobacco product by a person who
243 relies, in good faith, on the document described in Subsection (7)(b)(ii).

244 (d) A person described in Subsection (3) who is required to pay tax on a tobacco
245 product:

246 (i) shall, for a period of three years after the last day on which the person pays the tax
247 on the tobacco product, keep the document described in Subsection (7)(b)(ii) available for
248 review by the commission, upon demand; and

249 (ii) is not liable for nonpayment or underpayment of taxes on the tobacco product due
250 to the person's good faith reliance on the document described in Subsection (7)(b)(ii).

251 Section 5. Section **59-14-305** is enacted to read:

252 **59-14-305. Credit or refund for cigarette rolling machine operator.**

253 (1) A cigarette rolling machine operator may claim a credit or refund on a return filed

254 under Section 59-14-303 as provided in this section if:

255 (a) a person pays a tax under this chapter on tobacco that the person sells or provides to
256 the cigarette rolling machine operator; and

257 (b) the cigarette rolling machine operator pays a tax under Section 59-14-302 on the
258 tobacco that the cigarette rolling machine operator:

259 (i) purchases or is provided with under Subsection (1)(a); and

260 (ii) uses to produce a cigarette from the cigarette rolling machine.

261 (2) The credit under this section is the lesser of:

262 (a) the tax paid under Subsection (1)(a); or

263 (b) the tax paid under Subsection (1)(b).

264 (3) A cigarette rolling machine operator that claims a credit or refund under this section
265 shall:

266 (a) keep in a form prescribed by the commission books and records that are necessary
267 to establish the tax paid under Subsection (1)(a) and the tax paid under Subsection (1)(b) for
268 purposes of calculating the credit or refund the cigarette rolling machine operator may claim;

269 (b) keep the books and records described in Subsection (3)(a) for the time period
270 during which an assessment may be made under Section 59-1-1408; and

271 (c) open the books and records for examination at any time by:

272 (i) the commission; or

273 (ii) an agent or representative the commission designates.

274 Section 6. Section **59-14-601** is amended to read:

275 **59-14-601. Definitions.**

276 As used in this part:

277 (1) "Brand family" means:

278 (a) all styles of cigarettes sold under the same trademark and differentiated from one
279 another by means of additional modifiers or descriptors, including: "menthol," "lights,"
280 "kings," and "100s"; and

281 (b) any brand name, alone or in conjunction with any other word, trademark, logo,

282 symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product
283 identification identical or similar to, or identifiable with, a previously known brand of
284 cigarettes.

285 (2) "Cigarette" has the same meaning as in Subsection 59-22-202(4).

286 (3) "Commission" means the State Tax Commission as defined in Section 59-1-101.

287 (4) "Distributor" means a person, wherever residing or located, who purchases
288 nontax-paid cigarettes and stores, sells, or otherwise disposes of the cigarettes.

289 (5) "Master Settlement Agreement" has the same meaning as in Subsection
290 59-22-202(5).

291 (6) "Nonparticipating manufacturer" means any tobacco product manufacturer that is
292 not a participating manufacturer.

293 (7) "Participating manufacturer" has the meaning given that term in Section II(jj) of the
294 Master Settlement Agreement and all amendments thereto.

295 (8) "Stamping agent" means a person that is authorized to affix tax stamps to packages
296 or other containers of cigarettes under Section 59-14-205 or any person that is required to pay
297 the tobacco tax imposed pursuant to Section 59-14-302.

298 (9) "Qualified Escrow Fund" has the same meaning as defined in Subsection
299 59-22-202(6).

300 (10) (a) [~~Tobacco~~] Except as provided in Subsection (10)(b), "tobacco product
301 manufacturer" has the same meaning as defined in Subsection 59-22-202(9).

302 (b) "Tobacco product manufacturer" does not include a cigarette rolling machine
303 operator as defined in Section 59-14-102.

304 (11) "Units sold" has the same meaning as defined in Subsection 59-22-202(10).

305 Section 7. Section **59-14-701** is enacted to read:

306 **Part 7. Cigarette Rolling Machine Operators Act**

307 **59-14-701. Title.**

308 This part is known as the "Cigarette Rolling Machine Operators Act."

309 Section 8. Section **59-14-702** is enacted to read:

310 **59-14-702. Definitions.**

311 As used in this part:

312 (1) "Brand family" is as defined in Section 59-14-601.

313 (2) "Tobacco product manufacturer" is as defined in Section 59-14-601.

314 Section 9. Section **59-14-703** is enacted to read:

315 **59-14-703. Certification of cigarette rolling machine operators -- Renewal of**
316 **certification -- Requirements for certification or renewal of certification -- Denial.**

317 (1) A cigarette rolling machine operator may not perform the following without first
318 obtaining certification from the commission as provided in this part:

319 (a) locate a cigarette rolling machine within this state;

320 (b) make or offer to make a cigarette rolling machine available for use within this state;

321 or

322 (c) offer a cigarette for sale within this state if the cigarette is produced by:

323 (i) the cigarette rolling machine operator; or

324 (ii) another person at the location of the cigarette rolling machine operator's cigarette
325 rolling machine.

326 (2) A cigarette rolling machine operator shall renew its certification as provided in this
327 section.

328 (3) The commission shall prescribe a form for certifying a cigarette rolling machine
329 operator under this part.

330 (4) (a) A cigarette rolling machine operator shall apply to the commission for
331 certification before the cigarette rolling machine operator performs an act described in
332 Subsection (1) within the state for the first time.

333 (b) A cigarette rolling machine operator shall apply to the commission for a renewal of
334 certification on or before the earlier of:

335 (i) December 31 of each year; or

336 (ii) the day on which there is a change in any of the information the cigarette rolling
337 machine operator provides on the form described in Subsection (3).

338 (5) To obtain certification or renewal of certification under this section from the
339 commission, a cigarette rolling machine operator shall:
340 (a) identify:
341 (i) the cigarette rolling machine operator's name and address;
342 (ii) the location, make, and brand of the cigarette rolling machine operator's cigarette
343 rolling machine; and
344 (iii) each person from whom the cigarette rolling machine operator will purchase or be
345 provided tobacco products that the cigarette rolling machine operator will use to produce
346 cigarettes; and
347 (b) certify, under penalty of perjury, that:
348 (i) the tobacco to be used in the cigarette rolling machine operator's cigarette rolling
349 machine, regardless of the tobacco's label or description, shall be only of a:
350 (A) brand family listed on the commission's directory listing required by Section
351 59-14-603; and
352 (B) tobacco product manufacturer listed on the commission's directory listing required
353 by Section 59-14-603;
354 (ii) the cigarette rolling machine operator shall prohibit another person who uses the
355 cigarette rolling machine operator's cigarette rolling machine from using tobacco, a wrapper, or
356 a cover except for tobacco, a wrapper, or a cover purchased by or provided to the cigarette
357 rolling machine operator from a person identified in accordance with Subsection (5)(a)(iii);
358 (iii) the cigarette rolling machine operator holds a current license issued in accordance
359 with this chapter;
360 (iv) the cigarettes produced from the cigarette rolling machine shall comply with Title
361 53, Chapter 7, Part 4, The Reduced Cigarette Ignition Propensity and Firefighter Protection
362 Act;
363 (v) the cigarette rolling machine shall be located in a separate and defined area where
364 the cigarette rolling machine operator ensures that a person younger than 19 years of age may
365 not be;

366 (A) present at any time; or
367 (B) permitted to enter at any time; and
368 (vi) the cigarette rolling machine operator may not barter, distribute, exchange, offer,
369 or sell cigarettes produced from a cigarette rolling machine in a quantity of less than 20
370 cigarettes per retail transaction.

371 (6) If the commission determines that a cigarette rolling machine operator meets the
372 requirements for certification or renewal of certification under this section, the commission
373 shall grant the certification or renewal of certification.

374 (7) If the commission determines that a cigarette rolling machine operator does not
375 meet the requirements for certification or renewal of certification under this section, the
376 commission shall:

377 (a) deny the certification or renewal of certification; and

378 (b) provide the cigarette rolling machine operator the grounds for denial of the
379 certification or renewal of certification in writing.

380 Section 10. Section **59-14-704** is enacted to read:

381 **59-14-704. Cigarette rolling machine operator quarterly report to commission.**

382 (1) A cigarette rolling machine operator shall each quarter report to the commission:

383 (a) the number of cigarettes, by weight, produced from each of the cigarette rolling
384 machine operator's cigarette rolling machines for the previous calendar quarter;

385 (b) the brand family and the tobacco product manufacturer of the brand family of the
386 tobacco the cigarette rolling machine operator purchased or was provided for use by the
387 cigarette rolling machine operator's cigarette rolling machine for the previous calendar quarter;

388 (c) the ounces of tobacco the cigarette rolling machine operator purchased or was
389 provided for use by the cigarette rolling machine operator's cigarette rolling machine for the
390 previous calendar quarter; and

391 (d) each person from whom the cigarette rolling machine operator purchased or was
392 provided tobacco for use by the cigarette rolling machine operator's cigarette rolling machine
393 for the previous calendar quarter.

394 (2) A cigarette rolling machine operator shall file the report required by this section on
395 the last day of the month immediately following the last day of the previous calendar quarter.

396 (3) The commission shall prescribe the form for the report under this section.

397 Section 11. Section **59-14-705** is enacted to read:

398 **59-14-705. Cigarette rolling machine operator shall maintain a secure meter on**
399 **cigarette rolling machine.**

400 (1) A cigarette rolling machine operator shall maintain a secure meter on each cigarette
401 rolling machine that the cigarette rolling machine operator controls, leases, owns, possesses, or
402 otherwise has available for use.

403 (2) The secure meter described in Subsection (1):

404 (a) shall maintain an accurate count of the cigarettes, by weight, dispensed by the
405 cigarette rolling machine;

406 (b) may not be accessed except to take a reading of the secure meter; and

407 (c) may not be reset or otherwise altered.

408 Section 12. Section **59-14-706** is enacted to read:

409 **59-14-706. Revocation of certification -- Denial of certification or revocation of**
410 **certification appeal procedures -- Removal of cigarette rolling machine from premises.**

411 (1) In addition to the penalties provided under this title, the commission shall revoke
412 the certification of a cigarette rolling machine operator if the cigarette rolling machine operator
413 violates this part.

414 (2) The following are subject to review in accordance with Title 63G, Chapter 4,
415 Administrative Procedures Act:

416 (a) the commission's denial of certification or denial of renewal of certification under
417 Section 59-14-703; or

418 (b) the commission's revocation of certification under this section.

419 (3) If the commission revokes the certification of a cigarette rolling machine operator:

420 (a) the commission shall send written notice of the revocation to the cigarette rolling
421 machine operator; and

422 (b) the cigarette rolling machine operator:
423 (i) may not use the cigarette rolling machine or make or offer to make the cigarette
424 rolling machine available for use; and
425 (ii) no later than 10 days after the date the commission sends the written notice
426 described in Subsection (3)(a), shall remove the cigarette rolling machine from the cigarette
427 rolling machine operator's premises.

428 Section 13. Section **59-14-707** is enacted to read:

429 **59-14-707. Commission rulemaking authority.**

430 In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
431 commission may make rules to verify information for purposes of granting or denying a
432 certification or renewal of certification under this part.

433 Section 14. **Effective date.**

434 This bill takes effect on July 1, 2013.