### **101ST GENERAL ASSEMBLY**

## State of Illinois

## 2019 and 2020

#### SB2274

Introduced 10/28/2019, by Sen. Jim Oberweis

## SYNOPSIS AS INTRODUCED:

New Act 35 ILCS 143/10-25

Creates the Flavored Tobacco Ban Act. Provides that a tobacco retailer or his or her agents or employees may not sell, offer for sale, or possess with the intent to sell or offer for sale, a flavored tobacco product, flavored related tobacco product, flavored alternative nicotine product, or flavored solution or substance intended for use with electronic cigarettes. Provides that (1) "tobacco product" includes products containing tetrahydrocannabinol and products containing a mixture of tetrahydrocannabinol and nicotine, and (2) "tobacco retailer" includes dispensing organizations and dispensing organization agents, as those terms are defined in the Cannabis Regulation and Tax Act. Creates a presumption that a tobacco product, related tobacco product, alternative nicotine product, or solution or substance intended for use with electronic cigarettes is a banned product, solution, or substance intended for use with electronic cigarettes if it has or produces a characterizing flavor. Establishes penalties for violations. Provides that all moneys collected as fines and civil penalties for violations of the Act shall be distributed: one-half to the State agency or unit of local government that successfully prosecuted the offender; and one-half to the Department of Revenue to be used for enforcing the Act and the Prevention of Tobacco Use by Persons under 21 Years of Age and Sale and Distribution of Tobacco Products Act. Provides that the Act does not preempt or otherwise prohibit the adoption of a local standard that imposes greater restrictions on the access to specified products, solutions, or substances than the restrictions imposed by the Act. Amends the Tobacco Products Tax Act of 1995. Permits the Department of Revenue to suspend the license of any distributor that violates the Flavored Tobacco Ban Act.

LRB101 14442 CPF 63331 b

FISCAL NOTE ACT MAY APPLY

A BILL FOR

1 AN ACT concerning health.

# Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the
Flavored Tobacco Ban Act.

6 Section 5. Definitions. In this Act:

7 "Alternative nicotine product" means a product or device 8 not consisting of or containing tobacco that provides for the 9 ingestion into the body of nicotine, whether by chewing, smoking, absorbing, dissolving, inhaling, snorting, sniffing, 10 or by any other means. "Alternative nicotine product" does not 11 include: cigarettes as defined in Section 1 of the Cigarette 12 Tax Act and tobacco products as defined in Section 10-5 of the 13 14 Tobacco Products Tax Act of 1995; tobacco product and electronic cigarette as defined in this Section; or any product 15 16 approved by the United States Food and Drug Administration for 17 sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and is being marketed 18 19 and sold solely for that approved purpose.

20 "Characterizing flavor" means a distinguishable taste or 21 aroma, including, but not limited to, any fruit, chocolate, 22 vanilla, honey, candy, cocoa, dessert, alcoholic beverage, 23 herb or spice flavoring, not including tobacco, menthol, mint,

or wintergreen. In no event shall a tobacco product, related 1 2 tobacco product, alternative nicotine product, or solution or substance intended for use with electronic cigarettes or any 3 component part of a tobacco product, related tobacco product, 4 5 alternative nicotine product, or solution or substance intended for use with electronic cigarettes be construed to 6 7 have a characterizing flavor based solely on the use of trace 8 additives or flavorings or the provision of ingredient 9 information.

10 "Constituent" means any ingredient, substance, chemical, 11 or compound, other than tobacco, water, or reconstituted 12 tobacco sheet, that is added by a manufacturer to a tobacco 13 product during the processing, manufacture, or packing of the 14 tobacco product.

15 "Distinguishable" means perceivable by either the sense of 16 smell or taste.

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"Electronic cigarette" means:

18 (1) any device that employs a battery or other
19 mechanism to heat a solution or substance to produce a
20 vapor or aerosol intended for inhalation;

(2) any cartridge or container of a solution or
substance intended to be used with or in the device or to
refill the device; or

(3) any solution or substance, whether or not it
 contains nicotine intended for use in the device.

26 "Electronic cigarette" includes, but is not limited to, any

electronic nicotine delivery system, electronic cigar, 1 2 electronic cigarillo, electronic pipe, electronic hookah, vape pen, or similar product or device, and any components or parts 3 that can be used to build the product or device. "Electronic 4 5 cigarette" does not include: cigarettes as defined in Section 1 of the Cigarette Tax Act and tobacco products as defined in 6 7 Section 10-5 of the Tobacco Products Tax Act of 1995; tobacco 8 product, related tobacco product, and alternative nicotine 9 product as defined in this Section; any product approved by the 10 United States Food and Drug Administration for sale as a 11 tobacco cessation product, as a tobacco dependence product, or 12 for other medical purposes, and is being marketed and sold solely for that approved purpose; any asthma inhaler prescribed 13 14 by a physician for that condition and is being marketed and 15 sold solely for that approved purpose; or any therapeutic 16 product approved for use under the Compassionate Use of Medical 17 Cannabis Program Act.

"Flavored alternative nicotine 18 product" means any 19 alternative nicotine product that contains a natural or 20 artificial constituent or additive that imparts а 21 characterizing flavor.

"Flavored related tobacco product" means any related tobacco product that contains a natural or artificial constituent or additive that imparts a characterizing flavor.

25 "Flavored solution or substance intended for use with 26 electronic cigarettes" means any solution or substance

1 intended for use with electronic cigarettes that contains a 2 natural or artificial constituent or additive that imparts a 3 characterizing flavor.

4 "Flavored tobacco product" means any tobacco product that
5 contains a natural or artificial constituent or additive that
6 imparts a characterizing flavor.

7 "Labeling" means written, printed, pictorial, or graphic 8 matter upon a tobacco product, related tobacco product, 9 alternative nicotine product, or solution or substance 10 intended for use with electronic cigarettes or any of its 11 packaging.

12 "Packaging" or "package" means a pack, box, carton, or 13 container of any kind, or, if no other container, any wrapping, 14 including cellophane, in which a tobacco product, related 15 tobacco product, alternative nicotine product, or solution or 16 substance intended for use with electronic cigarettes is sold 17 or offered for sale to a consumer.

"Related tobacco product" means any product intended for or 18 19 traditionally used with tobacco, including, but not limited to, 20 papers, wraps, tubes, or filters. A product of a type that has in the past been used in conjunction with tobacco or nicotine 21 22 use will be deemed a "related tobacco product" regardless of 23 any labeling or descriptive language on such product stating that the product is not intended for use with tobacco or for 24 25 non-tobacco use only or other similar language.

"Retail location" means: (1) a building from which tobacco

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1 products, related tobacco products, alternative nicotine 2 products, or solutions or substances intended for use with 3 electronic cigarettes are sold at retail; or (2) a vending 4 machine.

"Tobacco product" means any product containing or made from 5 6 tobacco that is intended for human consumption, whether smoked, 7 heated, chewed, absorbed, dissolved, inhaled, snorted, 8 sniffed, or ingested by any other means, including, but not 9 limited to, cigarettes, cigars, little cigars, chewing 10 tobacco, pipe tobacco, snuff, snus, and any other smokeless 11 tobacco product that contains tobacco that is finely cut, 12 ground, powdered, or leaf and intended to be placed in the oral 13 cavity. "Tobacco product" includes: any component, part, or 14 accessory of a tobacco product, whether or not sold separately, 15 and; products containing tetrahydrocannabinol or a mixture of 16 tetrahydrocannabinol and nicotine. "Tobacco product" does not 17 include: an electronic cigarette and alternative nicotine product as defined in this Section; or any product that has 18 19 been approved by the United States Food and Drug Administration 20 for sale as a tobacco cessation product, as a tobacco 21 dependence product, or for other medical purposes, and is being 22 marketed and sold solely for that approved purpose.

23 "Tobacco retailer" means a person who engages in this State 24 in the sale of tobacco products, related tobacco products, 25 alternative nicotine products, or solutions or substances 26 intended for use with electronic cigarettes directly to the

public from a retail location, including a person who operates 1 2 vending machines from which tobacco products, related tobacco 3 products, alternative nicotine products, or solutions or substances intended for use with electronic cigarettes are sold 4 5 in this State. "Tobacco retailer" includes dispensing organizations and dispensing organization agents, as those 6 7 terms are defined in Section 1-10 of the Cannabis Regulation 8 and Tax Act.

9 Section 10. Prohibition; penalties.

10 (a) A tobacco retailer or any of the tobacco retailer's 11 agents or employees may not sell, offer for sale, or possess 12 with the intent to sell or offer for sale, a flavored tobacco 13 product, flavored related tobacco product, flavored nicotine product, or 14 alternative flavored solution or 15 substance intended for use with electronic cigarettes. There is 16 a presumption that a tobacco product, related tobacco product, alternative nicotine product, or solution or 17 substance intended for use with electronic cigarettes is a flavored 18 tobacco product, flavored related tobacco product, flavored 19 20 nicotine alternative product, or flavored solution or 21 substance intended for use with electronic cigarettes if the 22 tobacco product, related tobacco product, alternative nicotine 23 product, or solution or substance intended for use with 24 electronic cigarettes has or produces a characterizing flavor, 25 including, but not limited to, text, color, or images on the

1 product's labeling or packaging that are used to explicitly or 2 implicitly communicate or suggest that the tobacco product, 3 related tobacco product, alternative nicotine product, or solution or substance intended for use with electronic 4 5 cigarettes has a characterizing flavor. A product with labeling 6 or packaging that suggests the presence of a characterizing 7 flavor or uses a concept flavor is presumed to be a flavored 8 tobacco product, flavored related tobacco product, flavored 9 alternative nicotine product, or flavored solution or 10 substance intended for use with electronic cigarettes.

(b) Any person, other than a manufacturer or distributor, who violates subsection (a) is guilty of a petty offense and shall be fined an amount as follows:

14 (1) For the first offense, the offender shall be fined
15 an amount of \$100 for each individual package of tobacco
16 product, related tobacco product, alternative nicotine
17 product, or solution or substance intended for use with
18 electronic cigarettes sold or offered for sale.

19 (2) For a second offense within a 2-year period, the 20 offender shall be fined \$250 for each individual package of 21 tobacco product, related tobacco product, alternative 22 nicotine product, or solution or substance intended for use 23 with electronic cigarettes sold or offered for sale.

(3) For a third or subsequent offense within a 2-year
 period, the offender shall be fined \$500 for each
 individual package of tobacco product, related tobacco

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product, alternative nicotine product, or solution or substance intended for use with electronic cigarettes sold or offered for sale.

(c) A manufacturer or distributor shall be subject to a 4 5 civil penalty not to exceed \$50,000 for each brand or style of the manufacturer's or distributor's tobacco products, related 6 7 tobacco products, alternative nicotine products, or solutions 8 or substances intended for use with electronic cigarettes that 9 is found to have been sold or offered for sale in violation of 10 this Act on more than one occasion during any 30-day period. 11 With respect to a manufacturer or distributor, it is an 12 affirmative defense to a finding of a violation under this Act 13 that the sale or offer for sale, occurred without the 14 knowledge, consent, authorization or involvement, direct or 15 indirect, of the manufacturer or distributor.

(d) Moneys received as fines and civil penalties under this Act shall be remitted to the State Treasurer to be used as provided in paragraphs (1) and (2) of this subsection. All moneys collected as fines and civil penalties for violations of this Act shall be distributed in the following manner:

(1) one-half of each fine and civil penalty shall be
 distributed to the State agency or unit of local government
 that successfully prosecuted the offender; and

(2) one-half of each fine and civil penalty shall be
 remitted to the Department of Revenue to be used for
 enforcing this Act and the Prevention of Tobacco Use by

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1 2 Persons under 21 Years of Age and Sale and Distribution of Tobacco Products Act.

3 Section 15. Local preemption. This Act does not preempt or 4 otherwise prohibit the adoption of a local standard that 5 imposes greater restrictions on the access to tobacco products, 6 related tobacco products, alternative nicotine products, or solutions or substances intended for use with electronic 7 cigarettes than the restrictions imposed by this Act. To the 8 9 extent that there is an inconsistency between this Act and a 10 local standard that imposes greater restrictions on the access 11 to tobacco products, related tobacco products, alternative nicotine products, or solutions or substances intended for use 12 13 with electronic cigarettes, the greater restriction on the 14 access to tobacco products, related tobacco products, 15 alternative nicotine product, or solution or substance 16 intended for use with electronic cigarettes in the local standard shall prevail. 17

Section 90. The Tobacco Products Tax Act of 1995 is amended by changing Section 10-25 as follows:

20 (35 ILCS 143/10-25)

21 Sec. 10-25. License actions.

(a) The Department may, after notice and a hearing, revoke,cancel, or suspend the license of any distributor or retailer

who violates any of the provisions of this Act, fails to keep 1 2 books and records as required under this Act, fails to make 3 books and records available for inspection upon demand by a duly authorized employee of the Department, or violates a rule 4 5 or regulation of the Department for the administration and enforcement of this Act. The notice shall specify the alleged 6 7 violation or violations which the upon revocation, 8 cancellation, or suspension proceeding is based.

9 (b) The Department may revoke, cancel, or suspend the 10 license of any distributor for a violation of the Tobacco 11 Product Manufacturers' Escrow Enforcement Act as provided in 12 Section 20 of that Act.

13 (b-5) The Department may suspend the license of any
 14 distributor for a violation of the Flavored Tobacco Ban Act.

15 (c) If the retailer has a training program that facilitates 16 compliance with minimum-age tobacco laws, the Department shall 17 suspend for 3 days the license of that retailer for a fourth or subsequent violation of the Prevention of Tobacco Use by 18 19 Persons under 21 Years of Age and Sale and Distribution of 20 Tobacco Products Act, as provided in subsection (a) of Section 2 of that Act. For the purposes of this Section, any violation 21 22 of subsection (a) of Section 2 of the Prevention of Tobacco Use 23 by Persons under 21 Years of Age and Sale and Distribution of Tobacco Products Act occurring at the retailer's licensed 24 25 location, during a 24-month period, shall be counted as a 26 violation against the retailer.

1 If the retailer does not have a training program that 2 facilitates compliance with minimum-age tobacco laws, the 3 Department shall suspend for 3 days the license of that 4 retailer for a second violation of the Prevention of Tobacco 5 Use by Persons under 21 Years of Age and Sale and Distribution 6 of Tobacco Products Act, as provided in subsection (a-5) of 7 Section 2 of that Act.

8 If the retailer does not have a training program that 9 facilitates compliance with minimum-age tobacco laws, the 10 Department shall suspend for 7 days the license of that 11 retailer for a third violation of the Prevention of Tobacco Use 12 by Persons under 21 Years of Age and Sale and Distribution of 13 Tobacco Products Act, as provided in subsection (a-5) of 14 Section 2 of that Act.

15 If the retailer does not have a training program that 16 facilitates compliance with minimum-age tobacco laws, the 17 Department shall suspend for 30 days the license of a retailer 18 for a fourth or subsequent violation of the Prevention of 19 Tobacco Use by Persons under 21 Years of Age and Sale and 20 Distribution of Tobacco Products Act, as provided in subsection 21 (a-5) of Section 2 of that Act.

A training program that facilitates compliance with minimum-age tobacco laws must include at least the following elements: (i) it must explain that only individuals displaying valid identification demonstrating that they are 21 years of age or older shall be eligible to purchase cigarettes or

tobacco products and (ii) it must explain where a clerk can check identification for a date of birth. The training may be conducted electronically. Each retailer that has a training program shall require each employee who completes the training program to sign a form attesting that the employee has received and completed tobacco training. The form shall be kept in the employee's file and may be used to provide proof of training.

8 (d) The Department may, by application to any circuit 9 court, obtain an injunction restraining any person who engages 10 in business as a distributor of tobacco products without a 11 license (either because his or her license has been revoked, 12 canceled, or suspended or because of a failure to obtain a 13 license in the first instance) from engaging in that business 14 until that person, as if that person were a new applicant for a 15 license, complies with all of the conditions, restrictions, and 16 requirements of Section 10-20 of this Act and qualifies for and 17 obtains a license. Refusal or neglect to obey the order of the court may result in punishment for contempt. 18

19 (Source: P.A. 100-940, eff. 8-17-18; 101-2, eff. 7-1-19.)