

1 AN ACT relating to tobacco, nicotine, or vapor product licensure.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 438.305 is amended to read as follows:

4 As used in KRS 438.305 to 438.350~~[438.340]~~, unless the context requires otherwise:

- 5 (1) (a) "Alternative nicotine product" means a noncombustible product containing
6 nicotine that is intended for human consumption, whether chewed, absorbed,
7 dissolved, or ingested by any other means.
- 8 (b) "Alternative nicotine product" does not include any product regulated as a
9 drug or device by the United States Food and Drug Administration under
10 Chapter V of the Food, Drug, and Cosmetic Act;
- 11 (2) "Authorized nicotine vapor product" means a vapor product~~[containing nicotine]~~
12 for which the manufacturer~~[has obtained]~~:
- 13 (a) *Has obtained* authorization from the FDA;~~[or]~~
- 14 (b) *Timely pursued a path to market for a nicotine product containing tobacco-*
15 *derived nicotine that was commercially marketed in the United States as of*
16 *August 8, 2016, for which the manufacturer submitted a premarket tobacco*
17 *product application on or before September 9, 2020, to the FDA, that:*
- 18 *1. Remains under review, but has not received either a marketing denial*
19 *order or a marketing granted order; or*
- 20 *2. Has received a marketing denial order, but remains under a stay by*
21 *the FDA or continues to be subject to an appeal to the FDA or review*
22 *by a court of competent jurisdiction*~~[A safe harbor certification];~~ *or*
- 23 (c) *Has obtained a marketing denial order that has been rescinded by the FDA*
24 *or vacated by a court of competent jurisdiction;*
- 25 (3) *"Commissioner" means the commissioner of the Department of Alcoholic*
26 *Beverage Control;*
- 27 (4) *"Contraband property" means any article, item, or property, except real property,*

1 **that is used or intended to be used in violation of KRS 438.305 to 438.350;**

2 ~~(5)(3)~~ "Department" means the Department of Alcoholic Beverage Control;

3 **(6) "Distributor" or "wholesaler" means any person who distributes alternative**
4 **nicotine products, tobacco products, or authorized nicotine vapor products for the**
5 **purpose of being sold at retail;**

6 ~~(7)(4)~~ "FDA" means the United States Food and Drug Administration;

7 **(8) "Investigator" means any employee of the department who is a certified peace**
8 **officer;**

9 ~~(9)(5)~~ "Manufacturer" means any person who manufactures or produces tobacco
10 products within or without this Commonwealth;

11 ~~(10)(6)~~ "Nonresident wholesaler" means any person who purchases cigarettes or other
12 tobacco products directly from the manufacturer and maintains a permanent
13 location or locations outside this state at which Kentucky cigarette tax evidence is
14 attached or from which Kentucky cigarette tax is reported and paid;

15 **(11) "Premises" means the land and building upon which any business operating**
16 **under KRS 438.305 to 438.350 is operated;**

17 ~~(12)(7)~~ "Proof of age" means a driver's license or other documentary or written
18 evidence of an individual's age;

19 ~~(13)(8)~~ "Resident wholesaler" means any person who purchases at least seventy-five
20 percent (75%) of all cigarettes or other tobacco products purchased by that person
21 directly from the cigarette manufacturer on which the cigarette tax provided for in
22 KRS 138.130 to 138.205 is unpaid, and who maintains an established place of
23 business in this state at which the person attaches cigarette tax evidence or receives
24 untaxed cigarettes;

25 ~~(14)(9)~~ "Retailer" means any person~~[, online or in person,]~~ who sells tobacco
26 products, alternative nicotine products, or vapor products to a consumer for any
27 purpose other than resale;

1 ~~(15)~~~~(10)~~ "Safe harbor certification":

2 ~~(a)~~ Means a certification provided by a manufacturer establishing that a vapor
3 product:

4 1. ~~Falls within a safe harbor established by the FDA by the manufacturer's~~
5 ~~timely pursuing the path to market described in subparagraph 2. of this~~
6 ~~paragraph; and~~

7 2. ~~Is a nicotine product containing tobacco-derived nicotine that was~~
8 ~~commercially marketed in the United States as of August 8, 2016, for which~~
9 ~~the manufacturer submitted a premarket tobacco product application on or~~
10 ~~before September 9, 2020, to the FDA that:~~

11 a. ~~Remains under review, but has not received either a marketing denial order or~~
12 ~~a marketing granted order;~~

13 b. ~~Has received a marketing denial order, but remains under a stay by the FDA~~
14 ~~or continues to be subject to an appeal to or review by a court of competent~~
15 ~~jurisdiction; or~~

16 c. ~~Has had a marketing denial order that has been rescinded by the FDA or~~
17 ~~vacated by a court of competent jurisdiction;~~

18 ~~(b)~~ Shall contain a copy of the first page of the communication from the FDA
19 reflecting an acceptance for review or the submission tracking number or, if
20 on appeal, a copy of the first page of the document filed with the applicable
21 agency or court; and

22 ~~(c)~~ May be provided and maintained in hard copy or in electronic form;

23 ~~(11)~~ "Sample" means a tobacco product, alternative nicotine product, or vapor product
24 distributed to members of the general public at no cost;

25 ~~(16)~~~~(12)~~ "Subjobber" means any person who purchases tobacco products, on which the
26 Kentucky cigarette tax has been paid, from a wholesaler licensed pursuant to KRS
27 138.195, and makes them available to a retail establishment for resale;{

1 ~~(13) "Tobacco noncompliance database and reporting system" means the database of~~
 2 ~~retailers that have violated KRS 438.312 or 438.316 developed and maintained by~~
 3 ~~the department under KRS 438.307;]~~

4 (17)~~[(14)]~~ (a) "Tobacco product" means any cigarette, cigar, snuff, smokeless tobacco
 5 product, smoking tobacco, chewing tobacco, and any kind or form of tobacco
 6 prepared in a manner suitable for chewing or smoking, or both, or any kind or
 7 form of tobacco that is suitable to be placed in a person's mouth. "Tobacco
 8 product" also means any product made or derived from tobacco that is
 9 intended for human consumption, including any component, part, or accessory
 10 of a tobacco product, except for raw materials other than tobacco used in
 11 manufacturing any component, part, or accessory of a tobacco product, in
 12 accordance with the federal Tobacco Control Act, Pub. L. No. 111-31.

13 (b) "Tobacco product" does not include any alternative nicotine product, vapor
 14 product, or product regulated as a drug or device by the United States Food
 15 and Drug Administration under Chapter V of the Food, Drug, and Cosmetic
 16 Act;]

17 ~~(15) "Unauthorized vapor product":~~

18 ~~(a) Means any vapor product that has not been authorized by the FDA; and~~

19 ~~(b) Does not include a vapor product for which the manufacturer has~~
 20 ~~received:~~

21 ~~1. A marketing granted order or other authorization to market from the~~
 22 ~~FDA; or~~

23 ~~2. A safe harbor certification;]~~ and

24 (18)~~[(16)]~~ (a) "Vapor product" means any noncombustible product that employs a
 25 heating element, battery, power source, electronic circuit, or other electronic,
 26 chemical, or mechanical means, regardless of shape or size and including the
 27 component parts and accessories thereto, that can be used to deliver vaporized

1 nicotine or other substances to users inhaling from the device. "Vapor
 2 product" includes but is not limited to any device deemed to be an electronic
 3 nicotine delivery system by the United States Food and Drug Administration,
 4 any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe,
 5 or similar product or device and every variation thereof, regardless of whether
 6 marketed as such, and any vapor cartridge or other container of a liquid
 7 solution or other material that is intended to be used with or in an electronic
 8 cigarette, electronic cigar, electronic cigarillo, electronic pipe, or other similar
 9 product or device.

10 (b) "Vapor product" does not include any product regulated as a drug or device
 11 by:

12 1. The United States Food and Drug Administration under Chapter V of
 13 the Food, Drug, and Cosmetic Act; and

14 2. KRS Chapter 218A.

15 ➔SECTION 2. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
 16 TO READ AS FOLLOWS:

17 (1) (a) The Division of Tobacco, Nicotine, and Vapor Product Licensing is hereby
 18 created and established within the Department of Alcoholic Beverage
 19 Control.

20 (b) The Division of Tobacco, Nicotine, and Vapor Product Licensing shall be
 21 managed by a division director, whose appointment shall be subject to KRS
 22 12.050.

23 (2) The Division of Tobacco, Nicotine, and Vapor Licensing shall carry out
 24 enforcement provisions of KRS 438.305 to 438.350 as they relate to the regulation
 25 of alternative nicotine products, tobacco products, and vapor products, including
 26 promulgating administrative regulations that govern the sale and distribution of
 27 alternative nicotine products, tobacco products, and vapor products.

1 ➔SECTION 3. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
2 TO READ AS FOLLOWS:

3 *Department investigators may inspect any licensed premises without first obtaining a*
4 *search warrant. They may confiscate any contraband property.*

5 ➔SECTION 4. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
6 TO READ AS FOLLOWS:

7 *(1) A person, firm, or corporation shall not operate as a retailer selling alternative*
8 *nicotine products, tobacco products, or authorized nicotine vapor products in or*
9 *on any premises in the Commonwealth without first obtaining a tobacco,*
10 *nicotine, or vapor product license issued by the department.*

11 *(2) Any person who, by himself or herself or through another, directly or indirectly,*
12 *violates subsection (1) of this section shall be subject to the penalties in KRS*
13 *243.990(2).*

14 ➔SECTION 5. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
15 TO READ AS FOLLOWS:

16 *(1) Each application for a tobacco, nicotine, or vapor product license shall be made*
17 *in a form prescribed by the department, accompanied with a nonrefundable*
18 *application fee of fifty dollars (\$50) and any supporting documentation required*
19 *by the department. The application fee shall be applied to the licensing fee if the*
20 *license is issued. If no license is issued, the application fee shall be retained by*
21 *the department.*

22 *(2) A tobacco, nicotine, or vapor product license shall:*

23 *(a) Be renewed annually;*

24 *(b) Remain in full force and effect for one (1) year from the date of issuance*
25 *unless it is surrendered by the licensee, suspended, or revoked; and*

26 *(c) Posted in a conspicuous place in the premises of the business where*
27 *alternative nicotine products, tobacco products, or authorized nicotine*

1 vapor products are sold.

2 (3) A retailer with a license issued by the department and operating under KRS
3 Chapter 243 may initiate the application process to obtain a tobacco, nicotine, or
4 vapor product license on the date of its next renewal.

5 (4) (a) The fee for a tobacco, nicotine, or vapor product license shall be five
6 hundred dollars (\$500) per year for each licensed premises and the fee shall
7 be made payable to State Treasury.

8 (b) All of the fees paid into the State Treasury for state licenses shall be
9 credited to a revolving trust and agency account as provided in Section 19 of
10 this Act for the department.

11 (5) The tobacco, nicotine, or vapor product license shall not be transferred from one
12 (1) person to another or from one (1) premises to another premises.

13 (6) A new tobacco, nicotine, or vapor product license shall be required when a
14 retailer has a change in ownership.

15 ➔SECTION 6. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
16 TO READ AS FOLLOWS:

17 (1) A transitional license may be issued by the commissioner during the time a
18 transfer of an ongoing business is being processed under the following
19 conditions:

20 (a) The purchaser shall file an application for a permanent license pursuant to
21 Section 5 of this Act with the department;

22 (b) 1. The purchaser shall, before applying for a license, advertise by
23 publication its intention to apply for a license in a newspaper, online,
24 or in print, in the county or city in which the retail establishment is
25 located.

26 2. The department shall prescribe the form and content of the
27 advertisement by promulgation of administrative regulations in

- 1 accordance with KRS Chapter 13A.
- 2 3. The advertisement shall contain the following statement: "Any person
- 3 may protest the approval of the license by writing the Department of
- 4 Alcoholic Beverage Control within thirty (30) days of the date of legal
- 5 publication."
- 6 4. Any protest received after the thirty (30) day period shall be considered
- 7 expired and shall not be considered a valid legal protest by the
- 8 department; and
- 9 (c) The purchaser shall pay all application and licensing fees for the
- 10 permanent license established under Section 5 of this Act.
- 11 (2) If the requirements in subsection (1) of this section are met, the commissioner
- 12 may issue a transitional license with a term of up to sixty (60) days, plus one (1)
- 13 thirty (30) day renewal license, to the purchaser for a nonrefundable processing
- 14 fee of sixty dollars (\$60). All transitional licenses immediately expire upon the
- 15 issuance to the purchaser of one (1) or more permanent licenses.
- 16 (3) Upon completion of the sale of the business, the purchaser shall not operate the
- 17 business on the previous retailer's license.
- 18 (4) The transitional license shall not be transferable or used for an application to
- 19 move a business from one (1) location to another location.
- 20 (5) The transitional license shall entitle the holder to the same privileges and
- 21 restrictions of the permanent license or licenses for which the holder applied
- 22 under subsection (1)(a) of this section.

23 ➔SECTION 7. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
24 TO READ AS FOLLOWS:

- 25 (1) The commissioner shall approve or deny every application for a tobacco, nicotine,
- 26 or vapor product license.
- 27 (2) If the application is denied, the:

- 1 (a) License shall not be issued;
- 2 (b) Applicant shall be notified of the commissioner's denial which shall include
- 3 the reason for the denial; and
- 4 (c) Applicant may, within thirty (30) days, appeal the denial and request an
- 5 administrative hearing on the matter in accordance with KRS Chapter 13B.
- 6 (3) (a) If the commissioner revokes a license pursuant to Section 8 of this Act, the
- 7 commissioner shall:
- 8 1. Notify the applicant within ten (10) days of the decision to revoke the
- 9 license; and
- 10 2. Upon the request of a denied licensee, commence a hearing on the
- 11 license revocation in accordance with KRS Chapter 13B.
- 12 (b) Revocation of a license subject to KRS 438.305 to 438.350 for any reason
- 13 shall result in the inability of a retailer to reapply for a license for two (2)
- 14 years.
- 15 (c) 1. A final order of the commissioner shall be appealable to the Franklin
- 16 Circuit Court.
- 17 2. The licensee may, within thirty (30) days, appeal the final order and
- 18 request an administrative hearing on the matter in accordance with
- 19 KRS Chapter 13B.

20 ➔SECTION 8. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED

21 TO READ AS FOLLOWS:

22 A license may be revoked or suspended by the commissioner for a violation of:

- 23 (1) Any of the provisions of KRS 438.305 to 438.350;
- 24 (2) Any administrative regulation of the department relating to the regulation of the
- 25 manufacture, sale, and transportation of alternative nicotine products, tobacco
- 26 products, or vapor products;
- 27 (3) Any administrative regulation of the Department of Revenue relating to the

1 taxation of alternative nicotine products, tobacco products, or vapor products;

2 (4) Any act of Congress or any rule or regulation of any federal board, agency, or
3 commission;

4 (5) Any of the laws, regulations, or ordinances referred to in this section when an
5 agent, servant, or employee of the licensee committed the violation, irrespective of
6 whether the licensee knew of or permitted the violation or whether the violation
7 was committed in disobedience of the licensee's instructions;

8 (6) Any cause which the department in the exercise of its sound discretion deems
9 sufficient; or

10 (7) Any of the reasons for which the commissioner would have been required to deny
11 a license if existing material facts had been known.

12 ➔Section 9. KRS 438.308 is amended to read as follows:

13 (1) A manufacturer of nicotine vapor products shall:

14 (a) Only sell authorized nicotine vapor products;

15 (b) Provide information necessary to establish its product meets the definition
16 of an authorized nicotine vapor product as defined in Section 1 of this Act
17 directly to a wholesaler or retailer distributing or selling the manufacturer's
18 product in accordance with paragraph (d) of this subsection.

19 (c) Comply with paragraph (b) of this subsection by providing:

20 1. Proof of authorization by the FDA;

21 2. A copy of the first page of the communication from the FDA reflecting
22 an acceptance for review or the submission tracking number; or

23 3. If an appeal is pending, a copy of the first page of the document filed
24 with the applicable agency or court;

25 Which may be provided and maintained in hard copy or electronic
26 form.

27 (d) Provide the information from paragraph (b) of this subsection directly to a:

- 1 1. Kentucky-licensed wholesaler that the manufacturer is utilizing to
 2 distribute its product; or
 3 2. Retailer if the manufacturer is not utilizing a Kentucky-licensed
 4 wholesaler to distribute its product.

5 ~~[(2) A manufacturer shall provide an applicable safe harbor certification to a wholesaler~~
 6 ~~or retailer when selling a vapor product that has not been authorized by the FDA.]~~

7 ~~(2)~~~~[(3)]~~ If the FDA or a court of competent jurisdiction takes final action that removes
 8 an authorized nicotine~~[a]~~ vapor product from the market~~[safe harbor certification~~
 9 ~~or authorized to market status]~~, the manufacturer shall provide notice of the final
 10 action to any wholesaler or retailer that has purchased the vapor product from the
 11 manufacturer within thirty (30) days of the final action being taken.

12 ~~(3)~~~~[(4)]~~ A manufacturer that fails to provide the information required in subsection
 13 (1) of this section or provides false or misleading information~~[in a safe harbor~~
 14 ~~certification or other notice]~~ to retailers or wholesalers violates this section and
 15 shall be subject to a fine of:

- 16 (a) Twenty-five thousand dollars (\$25,000) for a first citation issued for a
 17 violation of this section;
 18 (b) Fifty thousand dollars (\$50,000) for a second citation issued for a violation of
 19 this section; and
 20 (c) Seventy-five thousand dollars (\$75,000) for a third or subsequent citation
 21 issued for a violation of this section.

22 ➔Section 10. KRS 438.309 is amended to read as follows:

- 23 (1) A wholesaler of nicotine vapor products shall ~~not sell:~~
 24 ~~(a)]only sell~~ authorized nicotine vapor products to a retailer~~[until the wholesaler~~
 25 ~~verifies that the retailer is not in the tobacco noncompliance database and~~
 26 ~~reporting system; or~~
 27 ~~(b) Unauthorized vapor products].~~

- 1 (2) Any wholesaler that violates this section shall be subject to a fine of:
- 2 (a) Five thousand dollars (\$5,000) for a first citation issued for a violation of this
- 3 section; and
- 4 (b) Fifteen thousand dollars (\$15,000) for a second or subsequent citation issued
- 5 for a violation of this section.

6 ➔Section 11. KRS 438.310 is amended to read as follows:

- 7 (1) No person shall sell or cause to be sold any tobacco product or alternative nicotine
- 8 product at retail to any person under the age of twenty-one (21), or solicit any
- 9 person under the age of twenty-one (21) to purchase any tobacco product or
- 10 alternative nicotine product at retail.
- 11 (2) Any person who sells tobacco products or alternative nicotine products at retail
- 12 shall cause to be posted in a conspicuous place in his or her establishment a notice
- 13 stating that it is illegal to sell tobacco products, alternative nicotine products, or
- 14 vapor products to persons under age twenty-one (21).
- 15 (3) Any person selling tobacco products, alternative nicotine products, or vapor
- 16 products shall require proof of age from a prospective buyer or recipient if the
- 17 person has reason to believe that the prospective buyer or recipient is under the age
- 18 of twenty-one (21).
- 19 (4) A person who violates subsection (1) or (2) of this section shall be subject to a:
- 20 (a) One hundred dollar (\$100) fine to the retail sales clerk for a first citation
- 21 and a notice to the owner of a retail establishment which details the
- 22 violation;
- 23 (b) One hundred dollar (\$100) fine to the retail sales clerk and an additional
- 24 five hundred dollar (\$500) fine to the owner of a retail establishment for a
- 25 second citation;
- 26 (c) One hundred dollar (\$100) fine to the retail sales clerk and an additional
- 27 one thousand dollar (\$1,000) fine to the owner of a retail establishment for

1 a third citation; and

2 (d) Revocation of the tobacco, nicotine, or vapor product license upon a fourth
 3 citation. Revocation for any fourth and subsequent citation within a two (2)
 4 year period shall result in the inability to reapply for a license for two (2)
 5 years [~~fine of not less than one hundred dollars (\$100) nor more than five~~
 6 ~~hundred dollars (\$500) for a first violation and a fine of not less than five~~
 7 ~~hundred dollars (\$500) nor more than one thousand dollars (\$1,000) for any~~
 8 ~~subsequent violation. The fine shall be administered by the Department of~~
 9 ~~Alcoholic Beverage Control using a civil enforcement procedure].~~

10 (5) Each citation shall be specific to the premises of the retail establishment where
 11 the violation occurred.

12 (6) The fine shall be imposed and collected by the department using a civil
 13 enforcement procedure.

14 (7) A retailer shall be prohibited from renewing its license until all fines incurred
 15 under KRS 438.305 to 438.350 are paid.

16 ➔Section 12. KRS 438.311 is amended to read as follows:

17 (1) Except for the provisions of KRS 438.330, it shall be unlawful for a person who has
 18 not attained the age of twenty-one (21) years to purchase or accept receipt of or to
 19 attempt to purchase or accept receipt of a tobacco product, alternative nicotine
 20 product, or vapor product, or to present or offer to any person any purported proof
 21 of age which is false, fraudulent, or not actually his or her own, for the purpose of
 22 purchasing or receiving any tobacco product, alternative nicotine product, or vapor
 23 product. It shall not be unlawful for such a person to accept receipt of a tobacco
 24 product, alternative nicotine product, or vapor product from an employer when
 25 required in the performance of the person's duties.

26 (2) All peace officers with general law enforcement authority and
 27 investigators [~~employees~~] of the department [~~of Alcoholic Beverage Control~~] may

1 confiscate the tobacco product, alternative nicotine product, or vapor product of a
 2 person under the age of twenty-one (21) who has violated this section.
 3 Notwithstanding any provision of law to the contrary, no other penalty shall apply
 4 to a person under the age of twenty-one (21) for a violation of this section.

5 ➔Section 13. KRS 438.313 is amended to read as follows:

6 (1) ~~A~~~~[No]~~ wholesaler, retailer, or manufacturer of cigarettes, tobacco products, or
 7 alternative nicotine products, ***shall not***~~[may]~~ distribute cigarettes, tobacco products,
 8 or alternative nicotine products, including samples thereof, free of charge or
 9 otherwise, to any person under the age of twenty-one (21).

10 (2) ***A distributor or wholesaler shall not distribute alternative nicotine products,***
 11 ***tobacco products, or vapor products to any retailer whose license has been***
 12 ***revoked.***

13 (3) Any person who distributes cigarettes, tobacco products, or alternative nicotine
 14 products, including samples thereof, free of charge or otherwise shall require proof
 15 of age from a prospective buyer or recipient if the person has reason to believe that
 16 the prospective purchaser or recipient is under the age of twenty-one (21).

17 (4)~~(3)~~ Any person who violates the provisions of this section shall be fined not less
 18 than one thousand dollars (\$1,000) nor more than two thousand five hundred dollars
 19 (\$2,500) for each offense. The fine shall be administered by the department~~[of~~
 20 ~~Alcoholic Beverage Control]~~ using a civil enforcement procedure for persons
 21 eighteen (18) years of age or older.

22 (5)~~(4)~~ All peace officers with general law enforcement authority and
 23 ***investigators***~~[employees]~~ of the department~~[of Alcoholic Beverage Control]~~ may
 24 issue a uniform citation, but may not make an arrest~~[,]~~ or take a child into custody,
 25 for a violation of this section.

26 ➔Section 14. KRS 438.312 is amended to read as follows:

27 (1) A retailer shall not sell, give away, or distribute an authorized ***nicotine*** vapor

1 product or tobacco product to any person under twenty-one (21) years of age. A
 2 retailer who sells a tobacco product to a person under twenty-one (21) years of age
 3 shall be subject to the penalties listed in KRS 438.310(4).

4 (2) (a) A retailer shall have an affirmative defense to a violation of subsection (1) of
 5 this section if the sale was induced by the use of false, fraudulent, or altered
 6 identification papers or other documents.

7 (b) Evidence to support an affirmative defense under this subsection may be
 8 introduced either in mitigation of the violation or as a defense to the violation
 9 itself.

10 (3) Any retailer that violates subsection (1) of this section regarding authorized
 11 nicotine vapor products shall be subject to a:

12 (a) One hundred dollar (\$100) fine to the retail sales clerk for a first citation
 13 and a notice to the owner of a retail establishment which details the
 14 violation;

15 (b) One hundred dollar (\$100) fine to the retail sales clerk and an additional
 16 five hundred dollar (\$500) fine to the owner of a retail establishment for a
 17 second citation;

18 (c) One hundred dollar (\$100) fine to the retail sales clerk and an additional
 19 one thousand dollar (\$1,000) fine to the owner of a retail establishment for
 20 a third citation; and

21 (d) Revocation of the tobacco, nicotine, or vapor product license upon a fourth
 22 citation. Revocation for any fourth and subsequent citation within a two (2)
 23 year period shall result in the inability to reapply for a license for two (2)
 24 years[-

25 ~~(a) Subject to a fine of:~~

26 ~~1. Not less than one hundred dollars (\$100) nor more than five hundred~~
 27 ~~dollars (\$500) for the first citation issued for a violation of this section;~~

1 2. ~~One thousand dollars (\$1,000) for the second citation issued for a~~
2 ~~violation of this section; and~~

3 3. ~~Five thousand dollars (\$5,000) for a third or subsequent citation issued~~
4 ~~for a violation of this section that is not subject to paragraph (b) of this~~
5 ~~subsection; and~~

6 (b) ~~For a fourth or subsequent citation issued for a violation of this section within~~
7 ~~a two (2) year period, placed in the tobacco noncompliance database and~~
8 ~~reporting system and lose the ability to lawfully sell vapor products for one~~
9 ~~(1) year].~~

10 **(4) Each citation shall be specific to the premises of the retail establishment where**
11 **the violation occurred.**

12 ~~(5)~~~~(4)~~ Any retailer with unpaid fines under this section that are more than sixty (60)
13 days overdue shall lose the ability to lawfully sell vapor products until the fines are
14 paid.

15 ➔Section 15. KRS 438.316 is amended to read as follows:

16 (1) A retailer **of nicotine vapor products** shall ~~only~~~~[not]~~ sell **authorized nicotine vapor**
17 **products**~~[an unauthorized vapor product to any person].~~

18 (2) ~~[Except as provided in subsection (3) of this section, any retailer selling vapor~~
19 ~~products shall obtain from the manufacturer an applicable safe harbor certification~~
20 ~~and shall maintain a copy of the certification at the physical location where the~~
21 ~~vapor product is being sold.~~

22 (3) ~~A retailer is not required to obtain a safe harbor certification for vapor products if~~
23 ~~those products were purchased from a Kentucky licensed resident wholesaler.~~

24 (4) ~~]~~Any retailer that violates this section shall be **subject to a:**

25 **(a) Five hundred dollar (\$500) fine to the owner of a retail establishment for a**
26 **first citation issued for a violation of this section;**

27 **(b) One thousand dollar (\$1,000) fine to the owner of a retail establishment for**

1 *a second or subsequent citation issued for a violation of this section; and*
 2 *(c) Revocation of the tobacco, nicotine, or vapor product license upon a fourth*
 3 *citation, which shall result in the inability to reapply for a tobacco, nicotine,*
 4 *or vapor product license for two (2) years*;

5 ~~(a) Subject to a fine of:~~

6 1. ~~One thousand dollars (\$1,000) for the first citation issued for a violation~~
 7 ~~of this section; and~~

8 2. ~~Five thousand dollars (\$5,000) for a second or subsequent citation~~
 9 ~~issued for a violation of this section; and~~

10 ~~(b) Placed in the tobacco noncompliance database and reporting system and lose~~
 11 ~~the ability to lawfully sell vapor products for one (1) year for any third or~~
 12 ~~subsequent citation issued for a violation within a two (2) year period}.~~

13 *(3) Each citation shall be specific to the premises of the retail establishment where*
 14 *the violation occurred.*

15 ~~(4)[(5) A retailer in the tobacco noncompliance database and reporting system that~~
 16 ~~sells vapor products that are unauthorized vapor products shall be subject to a fine~~
 17 ~~of ten thousand dollars (\$10,000) per unlawful transaction.~~

18 ~~(6)}~~ Any retailer with unpaid fines under this section that are more than sixty (60) days
 19 overdue shall lose the ability to lawfully sell vapor products until the fines are paid.

20 ~~(5)[(7) A retailer shall have an affirmative defense to a violation of selling an~~
 21 ~~unauthorized vapor product if the retailer can establish:~~

22 (a) Proof of an official material change in the status of a vapor product under
 23 review by the FDA within forty-five (45) days of the issuance of the citation;
 24 or

25 (b) *Proof received under subsection (1)(b) of Section 9 this Act that the product*
 26 *is an authorized nicotine vapor product*~~[A safe harbor certification for the~~
 27 ~~vapor product exists onsite at the retail location at the time the citation was~~

1 issued].

2 ➔SECTION 16. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED
3 TO READ AS FOLLOWS:

4 **(1) As used in this section, "nitrous oxide" means any of the following substances:**

5 **(a) N₂O;**

6 **(b) Dinitrogen monoxide;**

7 **(c) Dinitrogen oxide;**

8 **(d) Nitrogen oxide;**

9 **(e) Butyl nitrite;**

10 **(f) Isobutyl nitrite;**

11 **(g) Secondary butyl nitrite;**

12 **(h) Tertiary butyl nitrite; or**

13 **(i) Laughing gas.**

14 **(2) A retailer shall not sell, distribute, give away, or cause to be sold any device,**
15 **canister, tank, or receptacle that either exclusively contains nitrous oxide or**
16 **exclusively contains a chemical compound mixed with nitrous oxide.**

17 **(3) Nitrous oxide shall only be available for the uses as authorized by this subsection.**

18 **This section shall not prohibit:**

19 **(a) The sale or distribution of medical gases that contain nitrous oxide by a**
20 **wholesaler licensed by the Kentucky Board of Pharmacy;**

21 **(b) Any person who administers nitrous oxide for the purpose of providing**
22 **medical or dental care, if administered by a dentist or dental hygienist in**
23 **accordance with KRS 313.060;**

24 **(c) The possession or use of nitrous oxide substances by a manufacturer as part**
25 **of a manufacturing process or industrial operation;**

26 **(d) The possession, use, or sale of nitrous oxide as a propellant in food**
27 **preparation for restaurant, food service, or houseware products; or**

1 (e) The possession, use, or sale of nitrous oxide for automotive purposes.

2 (4) Any retailer that violates this section shall be subject to:

3 (a) A two thousand five hundred dollar (\$2,500) fine to the owner of a retail
 4 establishment for a first citation issued for a violation of this section;

5 (b) A five thousand dollar (\$5,000) fine to the owner of a retail establishment
 6 for a second citation issued for a violation of this section; and

7 (c) Up to thirty (30) days in jail for a third citation issued for a violation of this
 8 section.

9 (5) Each citation shall be specific to the premises of the retailer where the violation
 10 occurred.

11 ➔Section 17. KRS 438.330 is amended to read as follows:

12 (1) Except as provided in Section 19 of this Act, the Department of Alcoholic
 13 Beverage Control and the Department of Agriculture shall carry out annually
 14 conducted random, unannounced inspections of retail establishments where tobacco
 15 products, alternative nicotine products, or vapor products are sold or distributed for
 16 the purpose of enforcing the provisions of KRS 438.305 to ~~438.350~~~~[438.340]~~. The
 17 inspections shall be conducted to the extent necessary to assure that the
 18 Commonwealth remains in compliance with Pub. L. No.~~[Public Law]~~ 102-321 and
 19 applicable federal regulations. The department~~[of Alcoholic Beverage Control]~~ and
 20 the Department of Agriculture shall also ensure that targeted inspections are
 21 conducted at those retail establishments where, and at those times when, persons
 22 under the age of twenty-one (21) years are most likely to purchase tobacco
 23 products, alternative nicotine products, or vapor products. Persons under the age of
 24 twenty-one (21) years may be used to test compliance with the provisions of KRS
 25 438.305 to ~~438.350~~~~[438.340]~~ only if the testing is conducted under the direct
 26 supervision of the department~~[of Alcoholic Beverage Control]~~, sheriff, or chief of
 27 police, or their employees, and written parental consent has been obtained. The

1 department~~[of Alcoholic Beverage Control]~~ shall prepare annually, for submission
2 by the Governor to the Secretary of the United States Department of Health and
3 Human Services, the report required by Section 1926 of Subpart 1 of Part B of Title
4 XIX of the Federal Public Health Service Act.

5 (2) The department~~[of Alcoholic Beverage Control]~~ shall develop and implement the
6 survey sampling methodologies to carry out the inspections as described in this
7 section.

8 ➔Section 18. KRS 438.331 is amended to read as follows:

9 (1) All certified peace officers with general law enforcement authority and
10 investigators of the department may issue a citation for a violation of **Section 11 or**
11 **16 of this Act or** KRS 438.308, 438.309, 438.312, or 438.316.

12 (2) A citation shall not be issued to a minor, and a minor shall not be arrested, in
13 connection with a retailer's violation of KRS 438.312 or 438.316.

14 (3) (a) All citations issued pursuant to KRS 438.308, 438.309, 438.312, or 438.316
15 **or Section 11 or 16 of this Act** shall be reported to and enforced by the
16 department.

17 (b) Multiple violations found during one (1) visit shall be reported on a single
18 citation and shall be considered to be one (1) violation for purposes of the
19 penalties set forth in KRS 438.312 and 438.316.

20 (c) Each violation shall be specific to the physical location in which the violation
21 occurred.

22 ➔Section 19. KRS 438.337 is amended to read as follows:

23 (1) The department~~[of Alcoholic Beverage Control]~~ shall carry out the enforcement
24 provisions of KRS 438.305 to **438.350**~~[438.340]~~.

25 (2) **(a) 1.** The department~~[of Alcoholic Beverage Control]~~ shall be entitled to the
26 revenue produced by one-twentieth of one cent (\$0.0005) of the three-
27 cent (\$0.03) per pack revenue collected by the Finance and

1 Administration Cabinet from the state excise tax on the sale of cigarettes
2 as imposed by KRS 138.140.

3 **2. One hundred percent (100%) of the license and application fees**
4 **imposed by Section 5 of this Act unless the license is denied shall**~~[-to]~~
5 be deposited in a trust and agency account created in the State Treasury.
6 **If no license is issued, the application fee shall be retained by the**
7 **department in accordance with Section 5 of this Act**~~[-, and -]~~

8 **(b) One hundred percent (100%) of the fines collected under KRS 438.305 to**
9 **438.350 shall be retained by the department.**

10 **(c) The department shall**~~[-to]~~ keep fifty percent (50%) of any fines collected
11 under KRS 438.305 to ~~438.350~~~~[438.340]~~ to offset the costs of enforcement.
12 **The remaining fifty percent (50%) of funds shall go to a youth program**
13 **administered by the Department for Public Health directed at targeting and**
14 **educating youth on the dangers of tobacco products, alternative nicotine**
15 **products, and vapor products**~~[- of KRS 438.305 to 438.340].~~

16 (3) The department~~[- of Alcoholic Beverage Control]~~ shall be responsible for
17 maintaining statistics for compilation of required reports to be submitted to the
18 United States Department of Health and Human Services.

19 (4) The department~~[- of Alcoholic Beverage Control]~~ shall devise a plan and
20 **timeframe**~~[-time frame]~~ for enforcement to determine by random inspection if the
21 percentage of retailers **wholesalers**, or distributors making illegal sales to persons
22 under the age of twenty-one (21) does or does not exceed federal guidelines
23 preventing tobacco sales to persons under the age of twenty-one (21).

24 **(5) (a) The department shall investigate the information provided in each**
25 **application for a tobacco, nicotine, or vapor product license.**

26 **(b) Notwithstanding Sections 17 and 18 of this Act, if the tobacco, nicotine, or**
27 **vapor product license is approved, random inspections or compliance**

1 checks of the licensee shall be conducted not less than once annually
 2 during normal business hours or as deemed appropriate by the
 3 commissioner.

4 **(6) The department shall, on the first day of each month, create, update, and publish**
 5 **on its website a list of retail establishments that possess a tobacco, nicotine, or**
 6 **vapor product license.**

7 ➔Section 20. KRS 438.340 is amended to read as follows:

8 The department~~[of Alcoholic Beverage Control]~~ and the Department of Agriculture are
 9 authorized to promulgate administrative regulations pursuant to KRS Chapter 13A as
 10 necessary to implement and carry out the provisions of KRS 438.305 to
 11 **438.350**~~[438.340]~~, **including establishing a procedure for administering citations,**
 12 **issuing orders, adjusting fees, and filing appeals under this section and Section 7 of**
 13 **this Act for any violation of the provisions of KRS 438.305 to 438.350, order of the**
 14 **commissioner, or administrative regulations promulgated by the department.**

15 ➔Section 21. KRS 438.350 is amended to read as follows:

16 (1) No person under the age of twenty-one (21) shall possess or use tobacco products,
 17 alternative nicotine products, or vapor products.

18 (2) Any tobacco product, alternative nicotine product, or vapor product found in the
 19 possession of a person under the age of twenty-one (21) and in plain view of the
 20 law enforcement officer shall be confiscated by the law enforcement officer making
 21 the charge.

22 **(3) Any person under the age of twenty-one (21) years found possessing or**
 23 **consuming an alternative nicotine product, tobacco product, or vapor product**
 24 **may be required to participate in a community service program or attend a**
 25 **tobacco cessation program.**

26 **(4)**~~[(3)]~~ This section shall not apply to persons exempted as provided by KRS 438.311
 27 and 438.330.~~†~~

1 ~~(4) The terms "alternative nicotine product," "tobacco product," and "vapor product,"~~
 2 ~~shall have the same meanings as in KRS 438.305.]~~

3 ➔Section 22. KRS 241.020 is amended to read as follows:

4 (1) The department shall administer statutes relating to, and regulate traffic in,
 5 alcoholic beverages, except that the collection of taxes shall be administered by the
 6 Department of Revenue. The department may issue advisory opinions and
 7 declaratory rulings related to KRS Chapters 241 to 244 and the administrative
 8 regulations promulgated under those chapters.

9 (2) A Division of Distilled Spirits, under the supervision of the board, shall administer
 10 the laws in relation to traffic in distilled spirits and wine.

11 (3) A Division of Malt Beverages, under the supervision of the board, shall administer
 12 the laws in relation to traffic in malt beverages.

13 **(4) A Division of Tobacco, Nicotine, and Vapor Product Licensing, under the**
 14 **supervision of the division director, shall administer the laws in relation to traffic**
 15 **in alternative nicotine products, tobacco products, and authorized nicotine vapor**
 16 **products under KRS 438.305 to 438.350.**

17 ➔Section 23. KRS 438.300 is amended to read as follows:

18 It is the intent of the Legislature that KRS 438.305 to ~~438.340~~ **438.350** shall be enforced
 19 in an equitable and uniform manner throughout the Commonwealth. For the purpose of
 20 equitable and uniform enforcement, the provisions of KRS 438.305 to ~~438.340~~ **438.350**
 21 shall supersede any subsequently enacted local law, ordinance, or regulation which
 22 relates to the use, display, sale, or distribution of tobacco products. It is the intent of the
 23 Legislature that KRS 438.305 to ~~438.340~~ **438.350** be enforced so as to ensure the
 24 eligibility for and receipt of any federal funds or grants that the Commonwealth of
 25 Kentucky now receives or may receive relating to the provisions of KRS 438.305 to
 26 ~~438.340~~ **438.350**.

27 ➔Section 24. KRS 438.306 is amended to read as follows:

1 (1) Each retailer shall, upon organizational filing or application for certificate of
2 authority to the Secretary of State and upon its annual report, state whether it is
3 involved in the retail sale of authorized nicotine vapor products.

4 (2) The Secretary of State shall:

5 (a) Create a list of retailers that sell authorized nicotine vapor products; and

6 (b) Provide the list of retailers created under paragraph (a) of this subsection to
7 the department and the Department of Revenue on a monthly basis.

8 ➔Section 25. KRS 438.325 is amended to read as follows:

9 (1) Each owner of a retail establishment selling or distributing tobacco products,
10 alternative nicotine products, or vapor products shall notify each individual
11 employed in the retail establishment as a retail sales clerk that the sale of tobacco
12 products, alternative nicotine products, or vapor products to any person under the
13 age of twenty-one (21) years and the purchase of tobacco products, alternative
14 nicotine products, or vapor products by any person under the age of twenty-one (21)
15 years are prohibited.

16 (2) Each owner of a retail establishment selling or distributing tobacco products,
17 alternative nicotine products, or vapor products shall notify each individual
18 employed in the retail establishment as a retail sales clerk that proof of age is
19 required from a prospective buyer or recipient if the person has reason to believe
20 that the prospective purchaser or recipient is under the age of twenty-one (21).

21 (3) The notice to employees that is required in subsection (1) of this section shall be
22 provided before the person commences work as a retail sales clerk, or, in the case of
23 a person employed as a retail sales clerk on March 26, 2020, within thirty (30) days
24 of that date. The employee shall signify receipt of the notice required by this section
25 by signing a form that states as follows:

26 "I understand that under the law of the Commonwealth of Kentucky it is illegal to
27 sell or distribute tobacco products, alternative nicotine products, or vapor products

1 to persons under the age of twenty-one (21) years and that it is illegal for persons
2 under the age of twenty-one (21) years to purchase tobacco products, alternative
3 nicotine products, or vapor products."

4 (4) The owner of the retail establishment shall maintain the signed notice that is
5 required pursuant to subsection (3) of this section in a place and in a manner so as
6 to be easily accessible to any employee of the Department of Alcoholic Beverage
7 Control or the Department of Agriculture conducting an inspection of the retail
8 establishment for the purpose of monitoring compliance in limiting the sale or
9 distribution of tobacco products, alternative nicotine products, or vapor products to
10 persons under the age of twenty-one (21) as provided in KRS 438.305 to
11 438.350~~[438.340]~~.

12 (5) Any owner of the retail establishment violating subsections (1) to (4) of this section
13 shall be subject to a fine of not less than one hundred dollars (\$100) nor more than
14 five hundred dollars (\$500) for each violation. The fine shall be administered by the
15 Department of Alcoholic Beverage Control in a civil enforcement procedure.

16 ➔Section 26. KRS 438.335 is amended to read as follows:

17 The Department of Agriculture shall carry out the provisions of KRS 438.305 to
18 438.350~~[438.340]~~ as they relate to educating the public and sellers of tobacco products,
19 alternative nicotine products, or vapor products about provisions and penalties of KRS
20 438.305 to 438.350~~[438.340]~~. The Department of Agriculture shall be entitled to the
21 revenue produced by one-twentieth of one cent (\$0.0005) of the three-cent (\$0.03) per
22 pack revenue collected by the Department of Revenue from the state excise tax on the
23 sale of cigarettes as imposed by KRS 138.140 and to keep fifty percent (50%) of any
24 fines collected under KRS 438.305 to 438.350~~[438.340]~~ to offset the costs of these
25 education efforts.

26 ➔Section 27. KRS 630.120 is amended to read as follows:

27 (1) All dispositional hearings conducted under this chapter shall be conducted in

1 accordance with the provisions of KRS 610.060 and 610.070. In addition, the court
2 shall, at the time the dispositional order is issued:

- 3 (a) Give the child adequate and fair written warning of the consequences of the
4 violation of the order; and
5 (b) Provide the child and the child's attorney, and parent, or legal guardian a
6 written statement setting forth the conditions of the order and the
7 consequences for violating the order.

8 An order issued pursuant to this section is a valid court order and any child
9 violating that order may be subject to the provisions of KRS 630.080(4).

10 (2) The court shall consider all appropriate local remedies to aid the child and the
11 child's family subject to the following conditions:

- 12 (a) Residential and nonresidential treatment programs for status offenders shall
13 be community-based and nonsecure; and
14 (b) With the approval of the education agency, the court may place the child in a
15 nonsecure public or private education agency accredited by the Department of
16 Education.

17 (3) At the disposition of a child adjudicated on a petition brought pursuant to this
18 chapter, all information helpful in making a proper disposition, including oral and
19 written reports, shall be received by the court provided that the child, the child's
20 parents, their counsel, the prosecuting attorney, the child's counsel, or other
21 interested parties as determined by the judge shall be afforded an opportunity to
22 examine and controvert the reports. For good cause, the court may allow the
23 admission of hearsay evidence.

24 (4) The court shall affirmatively determine that all appropriate remedies have been
25 considered and exhausted to assure that the least restrictive alternative method of
26 treatment is utilized.

27 (5) The court may order the child and the child's family to participate in any programs

1 which are necessary to effectuate a change in the child and the family.

2 (6) When all appropriate resources have been reviewed and considered insufficient to
3 adequately address the needs of the child and the child's family, the court may,
4 except as provided in subsection (7) of this section, commit the child to the cabinet
5 for such services as may be necessary. The cabinet shall consider all appropriate
6 local remedies to aid the child and the child's family subject to the following
7 conditions:

8 (a) Treatment programs for status offenders shall be, unless excepted by federal
9 law, community-based and nonsecure;

10 (b) The cabinet may place the child in a nonsecure public or private education
11 agency accredited by the department of education;

12 (c) The cabinet may initiate proceedings pursuant to KRS 610.160 when the
13 parents fail to participate in the cabinet's treatment programs; and

14 (d) The cabinet may discharge the child from commitment after providing ten
15 (10) days' prior written notice to the committing court which may object to
16 such discharge by holding court review of the commitment under KRS
17 610.120.

18 (7) No child adjudicated guilty of an alcohol offense under KRS 244.085 or a tobacco
19 offense under KRS 438.305 to ~~438.340~~ 438.350 shall be committed as a result of
20 that adjudication.

21 ➔Section 28. KRS 12.020 (Effective July 1, 2025) is amended to read as follows:
22 Departments, program cabinets and their departments, and the respective major
23 administrative bodies that they include are enumerated in this section. It is not intended
24 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
25 bureau, interstate compact, commission, committee, conference, council, office, or any
26 other form of organization shall be included in or attached to the department or program
27 cabinet in which they are included or to which they are attached by statute or statutorily

1 authorized executive order; except in the case of the Personnel Board and where the
2 attached department or administrative body is headed by a constitutionally elected
3 officer, the attachment shall be solely for the purpose of dissemination of information and
4 coordination of activities and shall not include any authority over the functions,
5 personnel, funds, equipment, facilities, or records of the department or administrative
6 body.

7 I. Cabinet for General Government - Departments headed by elected officers:

8 (1) The Governor.

9 (2) Lieutenant Governor.

10 (3) Department of State.

11 (a) Secretary of State.

12 (b) Board of Elections.

13 (c) Registry of Election Finance.

14 (4) Department of Law.

15 (a) Attorney General.

16 (5) Department of the Treasury.

17 (a) Treasurer.

18 (6) Department of Agriculture.

19 (a) Commissioner of Agriculture.

20 (b) Agricultural Development Board.

21 (c) Kentucky Agricultural Finance Corporation.

22 (7) Auditor of Public Accounts.

23 (a) Commonwealth Office of the Ombudsman.

24 II. Program cabinets headed by appointed officers:

25 (1) Justice and Public Safety Cabinet:

26 (a) Department of Kentucky State Police.

27 1. Office of Administrative Services.

- 1 a. Division of Operational Support.
- 2 b. Division of Management Services.
- 3 2. Office of Operations.
- 4 a. Division of West Troops.
- 5 b. Division of East Troops.
- 6 c. Division of Special Enforcement.
- 7 d. Division of Commercial Vehicle Enforcement.
- 8 3. Office of Technical Services.
- 9 a. Division of Forensic Sciences.
- 10 b. Division of Electronic Services.
- 11 c. Division of Records Management.
- 12 (b) Department of Criminal Justice Training.
- 13 (c) Department of Corrections.
- 14 (d) Department of Juvenile Justice.
- 15 (e) Office of the Secretary.
- 16 (f) Office of Drug Control Policy.
- 17 (g) Office of Legal Services.
- 18 (h) Office of the Kentucky State Medical Examiner.
- 19 (i) Parole Board.
- 20 (j) Kentucky State Corrections Commission.
- 21 (k) Office of Legislative and Intergovernmental Services.
- 22 (l) Office of Human Resource Management.
- 23 1. Division of Human Resource Administration.
- 24 2. Division of Employee Management.
- 25 (m) Department of Public Advocacy.
- 26 (n) Office of Communications.
- 27 1. Information Technology Services Division.

- 1 (o) Office of Financial Management Services.
- 2 1. Division of Financial Management.
- 3 (p) Grants Management Division.
- 4 (2) Energy and Environment Cabinet:
- 5 (a) Office of the Secretary.
- 6 1. Office of Legislative and Intergovernmental Affairs.
- 7 2. Office of Legal Services.
- 8 a. Legal Division I.
- 9 b. Legal Division II.
- 10 3. Office of Administrative Hearings.
- 11 4. Office of Communication.
- 12 5. Mine Safety Review Commission.
- 13 6. Office of Kentucky Nature Preserves.
- 14 7. Kentucky Public Service Commission.
- 15 (b) Department for Environmental Protection.
- 16 1. Office of the Commissioner.
- 17 2. Division for Air Quality.
- 18 3. Division of Water.
- 19 4. Division of Environmental Program Support.
- 20 5. Division of Waste Management.
- 21 6. Division of Enforcement.
- 22 7. Division of Compliance Assistance.
- 23 (c) Department for Natural Resources.
- 24 1. Office of the Commissioner.
- 25 2. Division of Mine Permits.
- 26 3. Division of Mine Reclamation and Enforcement.
- 27 4. Division of Abandoned Mine Lands.

- 1 5. Division of Oil and Gas.
- 2 6. Division of Mine Safety.
- 3 7. Division of Forestry.
- 4 8. Division of Conservation.
- 5 9. Office of the Reclamation Guaranty Fund.
- 6 (d) Office of Energy Policy.
 - 7 1. Division of Energy Assistance.
- 8 (e) Office of Administrative Services.
 - 9 1. Division of Human Resources Management.
 - 10 2. Division of Financial Management.
 - 11 3. Division of Information Services.
- 12 (3) Public Protection Cabinet.
 - 13 (a) Office of the Secretary.
 - 14 1. Office of Communications and Public Outreach.
 - 15 2. Office of Legal Services.
 - 16 a. Insurance Legal Division.
 - 17 b. Alcoholic Beverage Control Legal Division.
 - 18 c. Housing, Buildings and Construction Legal Division.
 - 19 d. Financial Institutions Legal Division.
 - 20 e. Professional Licensing Legal Division.
 - 21 3. Office of Administrative Hearings.
 - 22 4. Office of Administrative Services.
 - 23 a. Division of Human Resources.
 - 24 b. Division of Fiscal Responsibility.
 - 25 (b) Office of Claims and Appeals.
 - 26 1. Board of Tax Appeals.
 - 27 2. Board of Claims.

- 1 3. Crime Victims Compensation Board.
- 2 (c) Kentucky Boxing and Wrestling Commission.
- 3 (d) Department of Alcoholic Beverage Control.
- 4 1. Division of Distilled Spirits.
- 5 2. Division of Malt Beverages.
- 6 3. Division of Enforcement.
- 7 **4. Division of Tobacco, Nicotine, and Vapor Product Licensing.**
- 8 (e) Department of Financial Institutions.
- 9 1. Division of Depository Institutions.
- 10 2. Division of Non-Depository Institutions.
- 11 3. Division of Securities.
- 12 (f) Department of Housing, Buildings and Construction.
- 13 1. Division of Fire Prevention.
- 14 2. Division of Plumbing.
- 15 3. Division of Heating, Ventilation, and Air Conditioning.
- 16 4. Division of Building Code Enforcement.
- 17 (g) Department of Insurance.
- 18 1. Division of Health and Life Insurance and Managed Care.
- 19 2. Division of Property and Casualty Insurance.
- 20 3. Division of Administrative Services.
- 21 4. Division of Financial Standards and Examination.
- 22 5. Division of Licensing.
- 23 6. Division of Insurance Fraud Investigation.
- 24 7. Division of Consumer Protection.
- 25 (h) Department of Professional Licensing.
- 26 1. Real Estate Authority.
- 27 2. Division of Real Property Boards.

- 1 (4) Transportation Cabinet:
- 2 (a) Department of Highways.
- 3 1. Office of Project Development.
- 4 2. Office of Project Delivery and Preservation.
- 5 3. Office of Highway Safety.
- 6 4. Highway District Offices One through Twelve.
- 7 (b) Department of Vehicle Regulation.
- 8 (c) Department of Aviation.
- 9 (d) Department of Rural and Municipal Aid.
- 10 1. Office of Local Programs.
- 11 2. Office of Rural and Secondary Roads.
- 12 (e) Office of the Secretary.
- 13 1. Office of Public Affairs.
- 14 2. Office for Civil Rights and Small Business Development.
- 15 3. Office of Budget and Fiscal Management.
- 16 4. Office of Inspector General.
- 17 5. Secretary's Office of Safety.
- 18 (f) Office of Support Services.
- 19 (g) Office of Transportation Delivery.
- 20 (h) Office of Audits.
- 21 (i) Office of Human Resource Management.
- 22 (j) Office of Information Technology.
- 23 (k) Office of Legal Services.
- 24 (5) Cabinet for Economic Development:
- 25 (a) Office of the Secretary.
- 26 1. Office of Legal Services.
- 27 2. Department for Business and Community Development.

- 1 a. Development and Retention Division – West Kentucky.
- 2 b. Development, Retention, and Administrative Division –
- 3 Central and East Kentucky.
- 4 c. Community and Workforce Development Division.
- 5 3. Department for Financial Services.
- 6 a. Kentucky Economic Development Finance Authority.
- 7 b. Finance and Personnel Division.
- 8 c. IT and Resource Management Division.
- 9 d. Compliance Division.
- 10 e. Program Administration Division.
- 11 f. Bluegrass State Skills Corporation.
- 12 g. The GRANT Commission.
- 13 4. Office of Strategy and Public Affairs.
- 14 a. Marketing and Communications Division.
- 15 b. Research and Strategy Division.
- 16 5. Office of Entrepreneurship and Innovation.
- 17 a. Commission on Small Business Innovation and Advocacy.
- 18 (6) Cabinet for Health and Family Services:
- 19 (a) Office of the Secretary.
- 20 1. Office of Public Affairs.
- 21 2. Office of Legal Services.
- 22 3. Office of Inspector General.
- 23 4. Office of Human Resource Management.
- 24 5. Office of Finance and Budget.
- 25 6. Office of Legislative and Regulatory Affairs.
- 26 7. Office of Administrative Services.
- 27 8. Office of Application Technology Services.

- 1 9. Office of Data Analytics.
- 2 10. Office of Medical Cannabis.
- 3 a. Division of Enforcement and Compliance.
- 4 b. Division of Licensure and Access.
- 5 (b) Department for Public Health.
- 6 (c) Department for Medicaid Services.
- 7 (d) Department for Behavioral Health, Developmental and Intellectual
- 8 Disabilities.
- 9 (e) Department for Aging and Independent Living.
- 10 (f) Department for Community Based Services.
- 11 (g) Department for Family Resource Centers and Volunteer Services.
- 12 (7) Finance and Administration Cabinet:
- 13 (a) Office of the Secretary.
- 14 (b) Office of the Inspector General.
- 15 (c) Office of Legislative and Intergovernmental Affairs.
- 16 (d) Office of General Counsel.
- 17 (e) Office of the Controller.
- 18 (f) Office of Administrative Services.
- 19 (g) Office of Policy and Audit.
- 20 (h) Department for Facilities and Support Services.
- 21 (i) Department of Revenue.
- 22 (j) Commonwealth Office of Technology.
- 23 (k) State Property and Buildings Commission.
- 24 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 25 (m) Kentucky Employees Retirement Systems.
- 26 (n) Commonwealth Credit Union.
- 27 (o) State Investment Commission.

- 1 (p) Kentucky Housing Corporation.
- 2 (q) Kentucky Local Correctional Facilities Construction Authority.
- 3 (r) Kentucky Turnpike Authority.
- 4 (s) Historic Properties Advisory Commission.
- 5 (t) Kentucky Higher Education Assistance Authority.
- 6 (u) Kentucky River Authority.
- 7 (v) Kentucky Teachers' Retirement System Board of Trustees.
- 8 (w) Executive Branch Ethics Commission.
- 9 (x) Office of Fleet Management.
- 10 (8) Tourism, Arts and Heritage Cabinet:
- 11 (a) Kentucky Department of Tourism.
- 12 1. Division of Tourism Services.
- 13 2. Division of Marketing and Administration.
- 14 3. Division of Communications and Promotions.
- 15 (b) Kentucky Department of Parks.
- 16 1. Division of Information Technology.
- 17 2. Division of Human Resources.
- 18 3. Division of Financial Operations.
- 19 4. Division of Purchasing.
- 20 5. Division of Facilities.
- 21 6. Division of Park Operations.
- 22 7. Division of Sales, Marketing, and Customer Service.
- 23 8. Division of Engagement.
- 24 9. Division of Food Services.
- 25 10. Division of Rangers.
- 26 (c) Department of Fish and Wildlife Resources.
- 27 1. Division of Law Enforcement.

- 1 2. Division of Administrative Services.
- 2 3. Division of Engineering, Infrastructure, and Technology.
- 3 4. Division of Fisheries.
- 4 5. Division of Information and Education.
- 5 6. Division of Wildlife.
- 6 7. Division of Marketing.
- 7 (d) Kentucky Horse Park.
- 8 1. Division of Support Services.
- 9 2. Division of Buildings and Grounds.
- 10 3. Division of Operational Services.
- 11 (e) Kentucky State Fair Board.
- 12 1. Office of Administrative and Information Technology Services.
- 13 2. Office of Human Resources and Access Control.
- 14 3. Division of Expositions.
- 15 4. Division of Kentucky Exposition Center Operations.
- 16 5. Division of Kentucky International Convention Center.
- 17 6. Division of Public Relations and Media.
- 18 7. Division of Venue Services.
- 19 8. Division of Personnel Management and Staff Development.
- 20 9. Division of Sales.
- 21 10. Division of Security and Traffic Control.
- 22 11. Division of Information Technology.
- 23 12. Division of the Louisville Arena.
- 24 13. Division of Fiscal and Contract Management.
- 25 14. Division of Access Control.
- 26 (f) Office of the Secretary.
- 27 1. Office of Finance.

- 1 2. Office of Government Relations and Administration.
- 2 (g) Office of Legal Affairs.
- 3 (h) Office of Human Resources.
- 4 (i) Office of Public Affairs and Constituent Services.
- 5 (j) Office of Arts and Cultural Heritage.
- 6 (k) Kentucky African-American Heritage Commission.
- 7 (l) Kentucky Foundation for the Arts.
- 8 (m) Kentucky Humanities Council.
- 9 (n) Kentucky Heritage Council.
- 10 (o) Kentucky Arts Council.
- 11 (p) Kentucky Historical Society.
- 12 1. Division of Museums.
- 13 2. Division of Oral History and Educational Outreach.
- 14 3. Division of Research and Publications.
- 15 4. Division of Administration.
- 16 (q) Kentucky Center for the Arts.
- 17 1. Division of Governor's School for the Arts.
- 18 (r) Kentucky Artisans Center at Berea.
- 19 (s) Northern Kentucky Convention Center.
- 20 (t) Eastern Kentucky Exposition Center.
- 21 (9) Personnel Cabinet:
- 22 (a) Office of the Secretary.
- 23 (b) Department of Human Resources Administration.
- 24 (c) Office of Employee Relations.
- 25 (d) Kentucky Public Employees Deferred Compensation Authority.
- 26 (e) Office of Administrative Services.
- 27 (f) Office of Legal Services.

- 1 (g) Governmental Services Center.
- 2 (h) Department of Employee Insurance.
- 3 (i) Office of Diversity, Equality, and Training.
- 4 (j) Office of Public Affairs.
- 5 (10) Education and Labor Cabinet:
- 6 (a) Office of the Secretary.
- 7 1. Office of Legal Services.
- 8 a. Workplace Standards Legal Division.
- 9 b. Workers' Claims Legal Division.
- 10 c. Workforce Development Legal Division.
- 11 2. Office of Administrative Services.
- 12 a. Division of Human Resources Management.
- 13 b. Division of Fiscal Management.
- 14 c. Division of Operations and Support Services.
- 15 3. Office of Technology Services.
- 16 a. Division of Information Technology Services.
- 17 4. Office of Policy and Audit.
- 18 5. Office of Legislative Services.
- 19 6. Office of Communications.
- 20 7. Office of the Kentucky Center for Statistics.
- 21 8. Board of the Kentucky Center for Statistics.
- 22 9. Early Childhood Advisory Council.
- 23 10. Governors' Scholars Program.
- 24 11. Governor's School for Entrepreneurs Program.
- 25 12. Foundation for Adult Education.
- 26 (b) Department of Education.
- 27 1. Kentucky Board of Education.

- 1 2. Kentucky Technical Education Personnel Board.
- 2 3. Education Professional Standards Board.
- 3 (c) Board of Directors for the Center for School Safety.
- 4 (d) Department for Libraries and Archives.
- 5 (e) Kentucky Environmental Education Council.
- 6 (f) Kentucky Educational Television.
- 7 (g) Kentucky Commission on the Deaf and Hard of Hearing.
- 8 (h) Department of Workforce Development.
 - 9 1. Career Development Office.
 - 10 2. Office of Vocational Rehabilitation.
 - 11 a. Division of Kentucky Business Enterprise.
 - 12 b. Division of the Carl D. Perkins Vocational Training Center.
 - 13 c. Division of Blind Services.
 - 14 d. Division of Field Services.
 - 15 e. Statewide Council for Vocational Rehabilitation.
 - 16 f. Employment First Council.
 - 17 3. Office of Employer and Apprenticeship Services.
 - 18 a. Division of Apprenticeship.
 - 19 4. Kentucky Apprenticeship Council.
 - 20 5. Division of Technical Assistance.
 - 21 6. Office of Adult Education.
 - 22 7. Office of the Kentucky Workforce Innovation Board.
- 23 (i) Department of Workplace Standards.
 - 24 1. Division of Occupational Safety and Health Compliance.
 - 25 2. Division of Occupational Safety and Health Education and
26 Training.
 - 27 3. Division of Wages and Hours.

- 1 (j) Office of Unemployment Insurance.
- 2 (k) Kentucky Unemployment Insurance Commission.
- 3 (l) Department of Workers' Claims.
- 4 1. Division of Workers' Compensation Funds.
- 5 2. Office of Administrative Law Judges.
- 6 3. Division of Claims Processing.
- 7 4. Division of Security and Compliance.
- 8 5. Division of Specialist and Medical Services.
- 9 6. Workers' Compensation Board.
- 10 (m) Workers' Compensation Funding Commission.
- 11 (n) Kentucky Occupational Safety and Health Standards Board.
- 12 (o) State Labor Relations Board.
- 13 (p) Employers' Mutual Insurance Authority.
- 14 (q) Kentucky Occupational Safety and Health Review Commission.
- 15 (r) Workers' Compensation Nominating Committee.
- 16 (s) Office of Educational Programs.
- 17 (t) Kentucky Workforce Innovation Board.
- 18 (u) Kentucky Commission on Proprietary Education.
- 19 (v) Kentucky Work Ready Skills Advisory Committee.
- 20 (w) Kentucky Geographic Education Board.
- 21 (x) Disability Determination Services Program.

22 III. Other departments headed by appointed officers:

- 23 (1) Council on Postsecondary Education.
- 24 (2) Department of Military Affairs.
- 25 (3) Department for Local Government.
- 26 (4) Kentucky Commission on Human Rights.
- 27 (5) Kentucky Commission on Women.

- 1 (6) Department of Veterans' Affairs.
- 2 (7) Kentucky Commission on Military Affairs.
- 3 (8) Office of Minority Empowerment.
- 4 (9) Governor's Council on Wellness and Physical Activity.
- 5 (10) Kentucky Communications Network Authority.

6 ➔Section 29. The following KRS section is repealed:

7 438.307 Enforcement by Department of Alcoholic Beverage Control -- Online
8 publication of list of retailers of authorized vapor products.

9 ➔Section 30. Whereas it is crucial that the public's understanding of laws related
10 to vaping products reflect the statutory intent of the General Assembly, an emergency is
11 declared to exist, and Sections 1, 9, 10, 14, 15, and 24 of this Act takes effect upon its
12 passage and approval by the Governor or upon its otherwise becoming a law.

13 ➔Section 31. Sections 2 to 8, 13, and 19 shall take effect January 1, 2026.