## SENATE WENT GENERAL ASSEMBLY AMENDMENT FORM COASTEGULAR SESSION SENATE

Amend printed copy of SB 100/SCS 1

Beginning on page 5, line 26, and continuing to page 6, line 7, delete all new language and insert in lieu thereof:

"(1) (a) A person, firm, or corporation shall not operate as a retailer selling alternative nicotine products, tobacco products, or authorized vapor products in or on any premises in the Commonwealth without first obtaining a tobacco, nicotine, or vapor product license issued by the department. This subsection shall not apply to online transactions."; and

On page 6, line 9, delete "1."; and

On page 7, line 20, delete "17" and insert in lieu thereof: "18"; and

Starting on page 15, line 3, and continuing to page 16, line 18, delete Section 14 in its entirety and insert the following in lieu thereof:

- "→Section 14. KRS 438.316 is amended to read as follows:
- (1) A retailer shall not sell an unauthorized vapor product to any person.
- (2) Except as provided in subsection (3) of this section, any retailer selling vapor products shall obtain from the manufacturer an applicable safe harbor certification and shall maintain a copy of the certification at the physical location where the vapor product is being sold.
- (3) [A retailer is not required to obtain a safe harbor certification for vapor products if those

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Amendment No. SFA 5	Rep. Sen. Jimmy Higdon
Committee Amendment	[Signed:] D
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products were purchased from a Kentucky-licensed resident wholesaler.

- (4) Any retailer that violates this section shall be <u>subject to a</u>:
  - (a) Five hundred dollar (\$500) fine to the owner of a retail establishment for a first citation issued for a violation of this section;
  - (b) One thousand dollar (\$1,000) fine to the owner of a retail establishment for a second or subsequent citation issued for a violation of this section; and
  - (c) Revocation of the tobacco, nicotine, or vapor product license upon a fourth citation, which shall result in the inability to reapply for a tobacco, nicotine, or vapor product license for two (2) years
  - (a) Subject to a fine of:
    - 1. One thousand dollars (\$1,000) for the first citation issued for a violation of this section; and
    - 2. Five thousand dollars (\$5,000) for a second or subsequent citation issued for a violation of this section; and
  - (b) Placed in the tobacco noncompliance database and reporting system and lose the ability to lawfully sell vapor products for one (1) year for any third or subsequent citation issued for a violation within a two (2) year period].
- (4) Each citation shall be specific to the premises of the retail establishment where the violation occurred.
- (5) [A retailer in the tobacco noncompliance database and reporting system that sells vapor products that are unauthorized vapor products shall be subject to a fine of ten thousand dollars (\$10,000) per unlawful transaction.
- (6) Any retailer with unpaid fines under this section that are more than sixty (60) days overdue shall lose the ability to lawfully sell vapor products until the fines are paid.
- (6)[(7)] A retailer shall have an affirmative defense to a violation of selling an unauthorized

vapor product if the retailer can establish:

- (a) Proof of an official material change in the status of a vapor product under review by the FDA within forty-five (45) days of the issuance of the citation; or
- (b) A safe harbor certification for the vapor product exists onsite at the retail location at the time the citation was issued.
- (7) This section shall not apply to retailers of vapor products that are not intended for resale in this state.
- →SECTION 15. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED TO READ AS FOLLOWS:
- (1) As used in this section, "nitrous oxide" means any of the following substances:
  - (a) N20;
  - (b) Dinitrogen monoxide;
  - (c) Dinitrogen oxide;
  - (d) Nitrogen oxide;
  - (e) Butyl nitrite;
  - (f) Isobutyl nitrite;
  - (g) Secondary butyl nitrite;
  - (h) Tertiary butyl nitrite; or
  - (i) Laughing gas.
- (2) A retail establishment shall not sell nitrous oxide to any person under the age of twentyone (21).
- (3) Any retail establishment that possesses a tobacco, nicotine, or vapor product license shall not sell, distribute, give away, or cause to be sold any device, canister, tank, or receptacle that either exclusively contains nitrous oxide or exclusively contains a chemical compound mixed with nitrous oxide.

## (4) This section shall not apply to:

- (a) The sale or distribution of medical gases that contain nitrous oxide by a wholesaler licensed by the Kentucky Board of Pharmacy;
- (b) Any person who administers nitrous oxide for the purpose of providing medical or dental care, if administered by a dentist or dental hygienist in accordance with KRS 313.060;
- (c) The possession or use of nitrous oxide substances by a manufacturer as part of a manufacturing process or industrial operation;
- (d) The possession, use, or sale of nitrous oxide as a propellant in food preparation for restaurant, food service, or houseware products; or
- (e) The possession, use, or sale of nitrous oxide for automotive purposes.
- (5) Any retail establishment licensed by the department that violates this section shall be subject to:
  - (a) A two thousand five hundred dollar (\$2,500) fine to the owner of a retail establishment for a first citation issued for a violation of this section;
  - (b) A five thousand dollar (\$5,000) fine to the owner of a retail establishment for a second citation issued for a violation of this section; and
  - (c) Up to thirty (30) days in jail for a third citation issued for a violation of this section.
- (6) Each citation shall be specific to the premises of the retail establishment where the violation occurred."; and

Renumber subsequent sections accordingly; and

On page 16, line 20, delete "<u>17</u>" and insert in lieu thereof: "<u>18</u>"; and

On page 17, line 18, after "Section 10", insert the following: "or 15"; and

On page 19, line 6, delete "<u>Sections 15 and 16</u>" and insert the following in lieu thereof: "<u>Sections 16 and 17</u>".