

**SENATE BILL NO. 89**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATORS STEVENS, Giessel, Gray-Jackson, Kiehl, Tobin

Introduced: 3/1/23

Referred: Labor & Commerce, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to tobacco, tobacco products, electronic smoking products, nicotine,  
2 and products containing nicotine; raising the minimum age to purchase, sell, exchange,  
3 or possess tobacco, a product containing nicotine, or an electronic smoking product;  
4 relating to the taxation of electronic smoking products and vapor products; and  
5 providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* **Section 1.** AS 11.76.100(a) is amended to read:

8 (a) A person commits the offense of selling or giving tobacco to a **person**  
9 **under 21 years of age** [MINOR] if the person

10 (1) negligently sells a cigarette, a cigar, tobacco, or a product  
11 containing tobacco to a person under **21** [19] years of age;

12 (2) is **21** [19] years of age or older and negligently exchanges or gives  
13 a cigarette, a cigar, tobacco, or a product containing tobacco to a person under **21** [19]

1 years of age;

2 (3) maintains a vending machine that dispenses cigarettes, cigars,  
3 tobacco, or products containing tobacco; or

4 (4) holds a business license endorsement under AS 43.70.075 and  
5 allows a person under 21 [19] years of age to sell a cigarette, a cigar, tobacco, or a  
6 product containing tobacco.

7 \* **Sec. 2.** AS 11.76.100(b) is amended to read:

8 (b) Notwithstanding the provisions of (a) of this section, a person who  
9 maintains a vending machine is not in violation of (a)(3) of this section if the vending  
10 machine is located

11 (1) on premises licensed as a beverage dispensary under AS 04.11.090,  
12 licensed as a club under AS 04.11.110, or licensed as a package store under  
13 AS 04.11.150; and

14 (A) as far as practicable from the primary entrance; and

15 (B) in a place that is directly and continually supervised by a  
16 person employed on the licensed premises during the hours the vending  
17 machine is accessible to the public; or

18 (2) in an employee break room or other controlled area of a private  
19 work place that is not generally considered a public place and the room or area  
20 contains a posted warning sign at least 11 inches by 14 inches indicating that  
21 possession of tobacco by a person under 21 [19] years of age is prohibited under  
22 AS 11.76.105.

23 \* **Sec. 3.** AS 11.76.100(b), as amended by sec. 153, ch. 8, SLA 2022, is amended to read:

24 (b) Notwithstanding the provisions of (a) of this section, a person who  
25 maintains a vending machine is not in violation of (a)(3) of this section if the vending  
26 machine is located

27 (1) on premises licensed as a beverage dispensary under AS 04.09.200  
28 or 04.09.350, licensed as a club under AS 04.09.220, or licensed as a package store  
29 under AS 04.09.230 and

30 (A) as far as practicable from the primary entrance; and

31 (B) in a place that is directly and continually supervised by a

1 person employed on the licensed premises during the hours the vending  
2 machine is accessible to the public; or

3 (2) in an employee break room or other controlled area of a private  
4 work place that is not generally considered a public place and the room or area  
5 contains a posted warning sign at least 11 inches by 14 inches indicating that  
6 possession of tobacco by a person under 21 [19] years of age is prohibited under  
7 AS 11.76.105.

8 \* **Sec. 4.** AS 11.76.105 is amended to read:

9 **Sec. 11.76.105. Possession of tobacco, electronic smoking products, or**  
10 **products containing nicotine by a person under 21 years of age [MINOR].** (a) A  
11 person under 21 [19] years of age may not knowingly possess a cigarette, a cigar,  
12 tobacco, a product containing tobacco, an electronic smoking product, or a product  
13 containing nicotine in this state. [THIS SUBSECTION DOES NOT APPLY TO A  
14 PERSON WHO IS A PRISONER AT AN ADULT CORRECTIONAL FACILITY.]

15 (b) In a prosecution under (a) of this section for possession of an electronic  
16 smoking product or a product containing nicotine, it is an affirmative defense that the  
17 electronic smoking product or product containing nicotine possessed by the person  
18 under 21 [19] years of age was intended or expected to be consumed without being  
19 combusted, and the electronic smoking product or product containing nicotine

20 (1) has been approved by the United States Food and Drug  
21 Administration for sale as a tobacco use cessation [OR HARM REDUCTION] product  
22 or for other medical purposes;

23 (2) was being marketed and sold for the approved purposes; and

24 (3) was

25 (A) prescribed by a health care professional;

26 (B) given to the person by the person's parent or guardian;

27 (C) provided by a state-approved tobacco cessation program  
28 administered by the Department of Health; or

29 (D) provided by a pharmacist to a person 18 years of age or  
30 older without a prescription.

31 (c) Possession of tobacco, an electronic smoking product, or a product

1 containing nicotine by a **person under 21 years of age** [MINOR] is a violation  
 2 **punishable by a fine of not more than \$300.**

3 \* **Sec. 5.** AS 11.76.105 is amended by adding a new subsection to read:

4 (d) The supreme court shall establish by rule or order a schedule of bail  
 5 amounts that may be forfeited without court appearance for a violation of this section.

6 \* **Sec. 6.** AS 11.76.106(a) is amended to read:

7 (a) Except as provided under (b) of this section, a person may not sell  
 8 cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products,  
 9 or products containing nicotine

10 (1) unless the sale occurs in a manner that allows only the sales clerk  
 11 to control access to the cigarettes, cigars, tobacco, products containing tobacco,  
 12 electronic smoking products, or products containing nicotine;

13 (2) **over the Internet to an individual for the individual's personal**  
 14 **consumption.**

15 \* **Sec. 7.** AS 11.76.106(b) is amended to read:

16 (b) Subsection (a) does not apply if the sale

17 (1) is by vending machine as provided under AS 11.76.100(b) or  
 18 11.76.109(d);

19 (2) is a wholesale transaction, the person is licensed as a manufacturer  
 20 or distributor under AS 43.50.010, and the sale occurs on premises where no retail  
 21 transactions occur;

22 (3) is by a retailer who sells primarily cigarettes, cigars, tobacco,  
 23 products containing tobacco, electronic smoking products, or products containing  
 24 nicotine and who restricts access to the premises to only those individuals who are **21**  
 25 [19] years of age or older; or

26 (4) is of electronic smoking products over the Internet to a person 19  
 27 years of age or older.

28 \* **Sec. 8.** AS 11.76.109(a) is amended to read:

29 (a) A person commits the offense of selling or giving an electronic smoking  
 30 product or a product containing nicotine to a **person under 21 years of age** [MINOR]  
 31 if the person

1 (1) negligently sells an electronic smoking product or a product  
2 containing nicotine to a person under 21 [19] years of age;

3 (2) is 21 [19] years of age or older and negligently exchanges or gives  
4 an electronic smoking product or a product containing nicotine to a person under 21  
5 [19] years of age;

6 (3) maintains a vending machine that dispenses electronic smoking  
7 products or products containing nicotine; or

8 (4) holds a business license endorsement under AS 43.70.075 and  
9 allows a person under 21 [19] years of age to sell an electronic smoking product or a  
10 product containing nicotine.

11 \* **Sec. 9.** AS 11.76.109(b) is amended to read:

12 (b) The provisions of (a) of this section do not apply to the sale, exchange, or  
13 gift to a person under 21 [19] years of age of an electronic smoking product or a  
14 product containing nicotine that is intended or expected to be consumed without being  
15 combusted if the electronic smoking product or product containing nicotine

16 (1) has been approved by the United States Food and Drug  
17 Administration for sale as a tobacco use cessation [OR HARM REDUCTION] product  
18 or for other medical purposes;

19 (2) is being marketed and sold solely for the approved purposes; and

20 (3) is

21 (A) prescribed by a health care professional;

22 (B) given to a person by the person's parent or legal guardian;

23 (C) provided by a state-approved tobacco cessation program  
24 administered by the Department of Health; or

25 (D) provided by a pharmacist to a person 18 years of age or  
26 older without a prescription.

27 \* **Sec. 10.** AS 11.76.109(d) is amended to read:

28 (d) Notwithstanding (a)(3) of this section, a person who maintains a vending  
29 machine is not in violation of (a)(3) of this section if the vending machine is located

30 (1) on premises licensed as a beverage dispensary under AS 04.11.090,  
31 licensed as a club under AS 04.11.110, or licensed as a package store under

1 AS 04.11.150, and is located

2 (A) as far as practicable from the primary entrance; and

3 (B) in a place that is directly and continually supervised by a  
4 person employed on the licensed premises during the hours the vending  
5 machine is accessible to the public; or

6 (2) in an employee break room or other controlled area of a private  
7 work place that is not generally considered a public place and the room or area  
8 contains a posted warning sign at least 11 inches by 8.5 inches indicating that  
9 possession of electronic smoking products or products containing nicotine by a person  
10 under 21 [19] years of age without a prescription is prohibited under AS 11.76.109.

11 \* **Sec. 11.** AS 11.76.109(d), as amended by sec. 155, ch. 8, SLA 2022, is amended to read:

12 (d) Notwithstanding (a)(3) of this section, a person who maintains a vending  
13 machine is not in violation of (a)(3) of this section if the vending machine is located

14 (1) on premises licensed as a beverage dispensary under AS 04.09.200  
15 or 04.09.350, licensed as a club under AS 04.09.220, or licensed as a package store  
16 under AS 04.09.230, and is located

17 (A) as far as practicable from the primary entrance; and

18 (B) in a place that is directly and continually supervised by a  
19 person employed on the licensed premises during the hours the vending  
20 machine is accessible to the public; or

21 (2) in an employee break room or other controlled area of a private  
22 work place that is not generally considered a public place and the room or area  
23 contains a posted warning sign at least 11 inches by 8.5 inches indicating that  
24 possession of electronic smoking products or products containing nicotine by a person  
25 under 21 [19] years of age without a prescription is prohibited under AS 11.76.105  
26 [THIS SECTION].

27 \* **Sec. 12.** AS 11.76.109(g) is amended to read:

28 (g) Selling or giving an electronic smoking product or a product containing  
29 nicotine to a person under 21 years of age [MINOR] is a violation and, upon  
30 conviction, is punishable by a fine of not less than \$300.

31 \* **Sec. 13.** AS 11.81.900(b) is amended by adding a new paragraph to read:

1 (69) "nicotine" includes a chemical or chemical compound intended,  
 2 when introduced into the human body, to mimic or simulate the effect of nicotine from  
 3 tobacco.

4 \* **Sec. 14.** AS 43.50.070 is amended to read:

5 **Sec. 43.50.070. Suspension or revocation of or refusal to renew a license.**

6 (a) The department may suspend, revoke, or refuse to renew a license issued under this  
 7 chapter (1) for a negligent violation of AS 11.76.100, 11.76.106, 11.76.107,  
 8 11.76.109, or a violation of this chapter or a regulation of the department adopted  
 9 under this chapter; (2) if a licensee ceases to act in the capacity for which the license  
 10 was issued; or (3) if a licensee negligently sells tobacco or products containing  
 11 tobacco to a person who is required to, but does not, hold a license endorsement under  
 12 AS 43.70.075 or whose license endorsement under AS 43.70.075 has been suspended.  
 13 A person whose license is suspended or revoked may not sell cigarettes, [OR] tobacco  
 14 products, or electronic smoking products, or permit cigarettes, [OR] tobacco  
 15 products, or electronic smoking products to be sold, during the period of the  
 16 suspension or revocation on the premises occupied or controlled by that person. A  
 17 disciplinary proceeding or action is not barred or abated by the expiration, transfer,  
 18 surrender, renewal, or extension of a license issued under this chapter. The department  
 19 shall comply with the provisions of AS 44.62 (Administrative Procedure Act), except  
 20 that a hearing officer of the department, rather than a hearing officer assigned under  
 21 AS 44.62.350, may conduct hearings.

22 (b) In this section, "licensee" means a person licensed under AS 43.50.010 -  
 23 43.50.180, [OR] 43.50.300 - 43.50.390, or 43.50.850 - 43.50.900.

24 \* **Sec. 15.** AS 43.50.105(b) is amended to read:

25 (b) A person who is licensed under this chapter may not ship or cause to be  
 26 shipped cigarettes to a person in this state unless the person receiving the cigarettes

- 27 (1) is licensed under this chapter;  
 28 (2) holds a business license endorsement under AS 43.70.075;  
 29 (3) is an operator of a customs bonded warehouse under 19 U.S.C.  
 30 1311 or 19 U.S.C. 1555;  
 31 (4) is an instrumentality of the federal government or an Indian tribal

1 organization authorized by law to possess cigarettes not taxed under this chapter; or

2 (5) is an individual 21 [19] years of age or older **and the individual's**  
 3 **age was verified at the time of purchase by a third-party verification service, the**  
 4 **individual is** receiving the cigarettes for personal consumption, and the tax imposed  
 5 on the cigarettes under this chapter has been paid.

6 \* **Sec. 16.** AS 43.50.105(c) is amended to read:

7 (c) A common or contract carrier may not knowingly transport cigarettes to a  
 8 person in this state unless the person

9 (1) shipping the cigarettes is licensed under this chapter and, before  
 10 shipment, provides the common or contract carrier with a copy of the person's current  
 11 license issued by the department and

12 (A) an affidavit from the intended recipient certifying that the  
 13 person receiving the cigarettes is a person described under **(b)(1) - (4)** [(b)(1) -  
 14 (5)] of this section; or

15 **(B) the common or contract carrier verifies the age of the**  
 16 **recipient as 21 years of age or older before delivery; or**

17 (2) receiving the cigarettes is a person described under (a)(2) or (3) of  
 18 this section or is licensed under this chapter and, before receipt, provides the common  
 19 or contract carrier with a copy of the person's current license issued by the department.

20 \* **Sec. 17.** AS 43.50.150(c) is amended to read:

21 (c) The department may enter into an agreement with a municipality that  
 22 imposes a tax on cigarettes, [OR OTHER] tobacco products, **or electronic smoking**  
 23 **products** for the purpose of jointly auditing a person liable for a tax under  
 24 AS 43.50.010 - 43.50.390 **or 43.50.850 - 43.50.900** and the municipal tax on  
 25 cigarettes, [OR OTHER] tobacco products, **or electronic smoking products**.

26 \* **Sec. 18.** AS 43.50 is amended by adding a new section to read:

27 **Sec. 43.50.325. Restrictions on shipping or transporting tobacco products.**

28 (a) A person who is not licensed under this chapter may not ship or cause to be  
 29 shipped a tobacco product to a person in this state unless the person receiving the  
 30 tobacco product is

31 (1) licensed under this chapter;



1 (2) an operator of a customs bonded warehouse under 19 U.S.C. 1311  
2 or 19 U.S.C. 1555; or

3 (3) an instrumentality of the federal government or an Indian tribal  
4 organization authorized by law to possess tobacco products not taxed under this  
5 chapter.

6 (b) A person who is licensed under this chapter may not ship or cause to be  
7 shipped a tobacco product to a person in this state unless the person receiving the  
8 tobacco product

9 (1) is licensed under this chapter;

10 (2) holds a business license endorsement under AS 43.70.075;

11 (3) is an operator of a customs bonded warehouse under 19 U.S.C.  
12 1311 or 19 U.S.C. 1555;

13 (4) is an instrumentality of the federal government or an Indian tribal  
14 organization authorized by law to possess tobacco products not taxed under this  
15 chapter; or

16 (5) is an individual 21 years of age or older and the individual's age  
17 was verified at the time of purchase through a third-party verification service, the  
18 individual is receiving the tobacco product for personal consumption, and the tax  
19 imposed on the tobacco product under this chapter has been paid.

20 (c) A common or contract carrier may not knowingly transport a tobacco  
21 product to a person in this state unless the person

22 (1) shipping the tobacco product is licensed under this chapter and,  
23 before shipment, provides the common or contract carrier with a copy of the person's  
24 current license issued by the department and

25 (A) an affidavit from the intended recipient certifying that the  
26 person receiving the tobacco product is a person described under (b)(1) - (4) of  
27 this section; or

28 (B) the common or contract carrier verifies the age of the  
29 recipient as 21 years of age or older before delivery; or

30 (2) receiving the tobacco product is a person described under (a)(2) or  
31 (3) of this section or is licensed under this chapter and, before receipt, provides the

1 common or contract carrier with a copy of the person's current license issued by the  
2 department.

3 (d) If a tobacco product is transported by a common or contract carrier to a  
4 home or residence, it is rebuttably presumed that the common or contract carrier knew  
5 that the recipient of the tobacco product was not a person described under (b)(1) - (5)  
6 of this section, unless the person shipping the tobacco product has satisfied the  
7 requirements in (c)(1) of this section.

8 (e) A person, other than a common or contract carrier, may not knowingly  
9 transport a tobacco product to a person in this state, unless the recipient of the tobacco  
10 product is a person described under (b)(1) - (5) of this section.

11 (f) A person who ships or causes to be shipped a tobacco product to a person  
12 in this state shall plainly and visibly mark the container or wrapping with the words  
13 "tobacco product" if the tobacco product is shipped in a container or wrapping other  
14 than the manufacturer's original container or wrapping of the tobacco product.

15 (g) A person who violates the provisions of this section is guilty of a class A  
16 misdemeanor if the person unlawfully ships, causes to be shipped, or transports a  
17 tobacco product.

18 (h) In addition to the criminal penalty under (g) of this section, the department  
19 may assess a civil penalty of not more than \$5,000 for each violation of this section.

20 (i) A person who violates the provisions of this section is jointly and severally  
21 liable for the taxes imposed by AS 43.50.090 and 43.50.190. To the fullest extent  
22 permitted by the Constitution of the United States, a person who violates the  
23 provisions of this section is required to collect the taxes and pay them to the  
24 department.

25 \* **Sec. 19.** AS 43.50 is amended by adding new sections to read:

26 **Article 8. Electronic Smoking Products Sales, Shipping, Licensing, and Tax.**

27 **Sec. 43.50.850. Tax levied.** A tax is levied on closed electronic smoking  
28 products and vapor products in the state. The tax is 25 percent of the sales price of a  
29 closed electronic smoking product or a vapor product.

30 **Sec. 43.50.855. Exemptions.** (a) The tax does not apply to

31 (1) a closed electronic smoking product or vapor product

1 (A) sold in a facility operated by one of the uniformed services  
2 of the United States;

3 (B) approved for sale by the United States Food and Drug  
4 Administration as a drug, drug product, including a drug product used to treat  
5 tobacco dependence, or combination product under 21 U.S.C. 301 - 392  
6 (Federal Food, Drug, and Cosmetic Act);

7 (C) if the United States Constitution or other federal laws  
8 prohibit the levying of the tax on the product by the state;

9 (D) designed, marketed, and sold for the purpose of vaporizing  
10 or aerosolizing marijuana, marijuana products, hemp, or hemp products and  
11 intended for sale only in a retail marijuana store;

12 (2) marijuana or marijuana products subject to tax under AS 43.61 if  
13 the marijuana or marijuana products do not contain nicotine; or

14 (3) hemp or hemp products if the hemp or hemp products do not  
15 contain nicotine.

16 (b) In this section,

17 (1) "marijuana," "marijuana products," and "retail marijuana store"  
18 have the meanings given in AS 17.38.900;

19 (2) "uniformed services" has the meaning given in 5 U.S.C. 2101.

20 **Sec. 43.50.860. Licensing.** (a) Except as provided in (g) of this section, a  
21 person must be licensed by the department if the person engages in business as a  
22 retailer of an electronic smoking product.

23 (b) The department, upon application and payment of a fee of \$50, shall issue  
24 a license for one year to a person who applies for a license under (a) of this section.

25 (c) The department may refuse to issue a license under this section if

26 (1) there is reasonable cause to believe the information submitted in  
27 the application is false or misleading and is not made in good faith;

28 (2) the applicant is not in good standing under AS 10.06 (Alaska  
29 Corporations Code); or

30 (3) a tax levied under this chapter is due and unpaid by the applicant.

31 (d) A license issued under this section must include the name and address of

1 the licensee, the type of business to be conducted, and the year for which the license is  
2 issued.

3 (e) The department may renew a license issued under this section for a fee of  
4 \$50 if the applicant

5 (1) is in good standing under AS 10.06 (Alaska Corporations Code);  
6 and

7 (2) does not have unpaid taxes under this chapter.

8 (f) The department may suspend, revoke, or refuse to renew a license issued  
9 under this section as provided in AS 43.50.070.

10 (g) A license required by this section is in addition to any other license  
11 required by law, except that a person who is licensed under AS 43.50.010 - 43.50.180  
12 or 43.50.300 - 43.50.390 is exempt from the licensing requirements of this section.

13 (h) A license issued under this section is not assignable or transferable, except  
14 that in the case of death, bankruptcy, receivership, or incompetency of the licensee, or  
15 if the business of the licensee is transferred to another by operation of law, the  
16 department may extend the license for a limited time to the executor, administrator,  
17 trustee, receiver, or transferee.

18 (i) A person licensed under this section may not

19 (1) distribute an electronic smoking product designed or packaged so  
20 as not to be clearly recognizable as an electronic smoking product; or

21 (2) market an electronic smoking product, including a flavored  
22 electronic smoking product, in a manner likely to promote use of the electronic  
23 smoking product by a person under 21 years of age.

24 **Sec. 43.50.865. Returns.** On or before the last day of each calendar month, a  
25 licensee shall file a return with the department. The return must state the number or  
26 amount of closed electronic smoking products, vapor products, and other electronic  
27 smoking products sold by the licensee during the preceding calendar month, the  
28 selling price of the electronic smoking products, and the amount of tax imposed on the  
29 closed electronic smoking products and vapor products.

30 **Sec. 43.50.870. Tax credits and refunds.** The department shall adopt  
31 procedures for a refund or credit to a licensee of the tax paid for closed electronic

1 smoking products or vapor products that have become unfit for sale or are destroyed if  
2 the licensee provides proof acceptable to the department that the products have not  
3 been and will not be sold in this state.

4 **Sec. 43.50.875. Records.** A licensee shall keep a complete and accurate record  
5 of all electronic smoking products of the licensee, including purchase prices, sales  
6 prices, the names and addresses of the sellers, the dates of delivery, the quantities of  
7 electronic smoking products, and the trade names and brands. Statements and records  
8 required by this section must be in the form prescribed by the department, preserved  
9 for three years, and available for inspection upon demand by the department.

10 **Sec. 43.50.880. Disposition of proceeds.** The department shall separately  
11 account for tax collected on closed electronic smoking products and vapor products  
12 under AS 43.50.850. The annual estimated balance in the account may be appropriated  
13 by the legislature to provide for

14 (1) health care, health research, health promotion, and health  
15 education; or

16 (2) health programs, education, or advertising related to the hazards of  
17 electronic smoking products.

18 **Sec. 43.50.885. Restrictions on shipping or transporting electronic**  
19 **smoking products.** (a) A person who is not licensed under this chapter may not ship  
20 or cause to be shipped an electronic smoking product to a person in this state unless  
21 the person receiving the electronic smoking product is

22 (1) licensed under this chapter;

23 (2) an operator of a customs bonded warehouse under 19 U.S.C. 1311  
24 or 19 U.S.C. 1555; or

25 (3) an instrumentality of the federal government or an Indian tribal  
26 organization authorized by law to possess electronic smoking products not taxed under  
27 this chapter.

28 (b) A person who is licensed under this chapter may not ship or cause to be  
29 shipped an electronic smoking product to a person in this state unless the person  
30 receiving the electronic smoking product

31 (1) is licensed under this chapter;

1 (2) holds a business license endorsement under AS 43.70.075;

2 (3) is an operator of a customs bonded warehouse under 19 U.S.C.  
3 1311 or 19 U.S.C. 1555;

4 (4) is an instrumentality of the federal government or an Indian tribal  
5 organization authorized by law to possess electronic smoking products not taxed under  
6 this chapter; or

7 (5) is an individual 21 years of age or older and the individual's age  
8 was verified at the time of purchase through a third-party verification service, the  
9 individual is receiving the electronic smoking product for personal consumption, and  
10 the tax imposed on the electronic smoking product under this chapter has been paid.

11 (c) A common or contract carrier may not knowingly transport an electronic  
12 smoking product to a person in this state unless the person

13 (1) shipping the electronic smoking product is licensed under this  
14 chapter and, before shipment, provides the common or contract carrier with a copy of  
15 the person's current license issued by the department and

16 (A) an affidavit from the intended recipient certifying that the  
17 person receiving the electronic smoking product is a person described under  
18 (b)(1) - (4) of this section; or

19 (B) the common or contract carrier verifies the age of the  
20 recipient as 21 years of age or older before delivery; or

21 (2) receiving the electronic smoking product is a person described  
22 under (a)(2) or (3) of this section or is licensed under this chapter and, before receipt,  
23 provides the common or contract carrier with a copy of the person's current license  
24 issued by the department.

25 (d) If an electronic smoking product is transported by a common or contract  
26 carrier to a home or residence, it is rebuttably presumed that the common or contract  
27 carrier knew that the recipient of the electronic smoking product was not a person  
28 described under (b)(1) - (5) of this section, unless the person shipping the electronic  
29 smoking product has satisfied the requirements in (c)(1) of this section.

30 (e) A person, other than a common or contract carrier, may not knowingly  
31 transport an electronic smoking product to a person in this state, unless the recipient of

1 the electronic smoking product is a person described under (b)(1) - (5) of this section.

2 (f) A person who ships or causes to be shipped an electronic smoking product  
3 to a person in this state shall plainly and visibly mark the container or wrapping with  
4 the words "electronic smoking product" if the electronic smoking product is shipped in  
5 a container or wrapping other than the manufacturer's original container or wrapping  
6 of the electronic smoking product.

7 (g) A person who violates the provisions of this section is guilty of a class A  
8 misdemeanor if the person unlawfully ships, causes to be shipped, or transports an  
9 electronic smoking product.

10 (h) In addition to the criminal penalty under (g) of this section, the department  
11 may assess a civil penalty of not more than \$5,000 for each violation of this section.

12 (i) A person who violates the provisions of this section is jointly and severally  
13 liable for the taxes imposed by AS 43.50.850. To the fullest extent permitted by the  
14 Constitution of the United States, a person who violates the provisions of this section  
15 is required to collect the taxes and pay them to the department.

16 **Sec. 43.50.890. Restrictions on electronic smoking products.** A person may  
17 sell or distribute to consumers in this state, acquire, hold, own, possess, or transport  
18 for sale or distribution in this state, or import or cause to be imported into this state for  
19 sale or distribution in this state only electronic smoking products

20 (1) for which the component vapor product

21 (A) has a nicotine content of less than 20 milligrams of nicotine  
22 for each milliliter of vapor product;

23 (B) is protected from breakage and leakage;

24 (C) does not contain added vitamins or other additives  
25 marketed to create the impression of health benefits; in this subparagraph,  
26 "vitamins or other additives" includes caffeine, taurine, vitamin E acetate,  
27 stimulants, and colorants;

28 (2) that are packaged to be child- and tamper-proof; and

29 (3) that are labeled to inform consumers about all vapor product  
30 ingredients and nicotine content.

31 **Sec. 43.50.900. Definitions.** In AS 43.50.850 - 43.50.900, "sales price"

1 (1) means the total amount of consideration, including cash, credit,  
2 property, and services, for which an electronic smoking product is purchased or sold,  
3 valued in money, whether received in money or otherwise, without any deduction for

4 (A) the seller's cost of the electronic smoking product sold;

5 (B) the cost of materials used, labor or service cost, interest,  
6 losses, cost of transportation, taxes, or other expenses of the seller;

7 (C) charges by the seller for services necessary to complete the  
8 sale;

9 (D) delivery charges;

10 (2) does not include

11 (A) discounts, including cash or coupons that are not  
12 reimbursed by a third party, that are allowed by a seller and taken by a  
13 purchaser on a sale;

14 (B) interest, financing, and carrying charges from credit  
15 extended on the sale of an electronic smoking product if the amount is  
16 separately stated on the invoice, bill of sale, or similar document given to the  
17 purchaser; and

18 (C) taxes legally imposed directly on the consumer that are  
19 separately stated on the invoice, bill of sale, or similar document given to the  
20 purchaser.

21 **Article 9. General Provisions.**

22 **Sec. 43.50.990. Definitions.** In this chapter,

23 (1) "closed electronic smoking product" means a single-use electronic  
24 smoking product that includes a pre-filled disposable cartridge of vapor product;

25 (2) "electronic smoking product"

26 (A) includes

27 (i) a product that can be used to deliver aerosolized or  
28 vaporized nicotine to the person inhaling;

29 (ii) an e-cigarette, e-cigar, e-pipe, e-hookah, vape pen,  
30 or other similar device of any shape;

31 (iii) a component, part, accessory, or device related to



1 an e-cigarette, e-cigar, e-pipe, e-hookah, vape pen, or other similar  
2 device of any shape;

3 (iv) a vapor product used in a device or product  
4 described in (i) or (ii) of this subparagraph;

5 (v) an e-cigarette, e-cigar, e-pipe, e-hookah, vape pen,  
6 or other similar device of any shape sold together with a solution, vapor  
7 product, or other similar product as a disposable nonrefillable unit;

8 (B) does not include a

9 (i) battery, battery charger, heating element, electronic  
10 coil, or mouthpiece intended for use in an electronic smoking product,  
11 when sold separately from the electronic smoking product;

12 (ii) cartridge, pod, tank, or similar container intended to  
13 transport a vapor product, if sold empty;

14 (3) "nicotine" has the meaning given in AS 11.81.900(b);

15 (4) "retailer" means a person in the state who is engaged in the  
16 business of electronic smoking products at retail;

17 (5) "vapor product" means a substance intended to be aerosolized or  
18 vaporized during the use of an electronic smoking product.

19 \* **Sec. 20.** AS 43.70.075(f) is amended to read:

20 (f) A person who holds a license endorsement issued under this section shall  
21 post on the licensed premises a warning sign as described in this subsection. A  
22 warning sign required by this subsection must be at least 8.5 inches by 11 inches and  
23 must read: "The sale of electronic smoking products or products containing nicotine  
24 without a prescription or tobacco products to persons under age **21** [19] is illegal." A  
25 person holding an endorsement issued under this section shall display the warning sign  
26 in a manner conspicuous to a person purchasing or consuming tobacco products,  
27 electronic smoking products, or products containing nicotine on the licensed premises.  
28 The department shall make available the warning signs required under this section to a  
29 person who holds an endorsement issued under this section or a person who requests  
30 the sign with the intention of displaying it.

31 \* **Sec. 21.** AS 43.70.075(m) is amended to read:

1           (m) The department may initiate suspension of a business license endorsement  
2 or the right to obtain a business license endorsement under this section by sending the  
3 person subject to the suspension a notice by certified mail, return receipt requested, or  
4 by delivering the notice to the person. The notice must contain information that  
5 informs the person of the grounds for suspension, the length of any suspension sought,  
6 and the person's right to administrative review. A suspension begins 30 days after  
7 receipt of notice described in this subsection unless the person delivers a timely  
8 written request for a hearing to the department in the manner provided by regulations  
9 of the department. If a hearing is requested under this subsection, an administrative  
10 law judge of the office of administrative hearings (AS 44.64.010) shall determine the  
11 issues by using the preponderance of the evidence test and shall, to the extent they do  
12 not conflict with regulations adopted under AS 44.64.060, conduct the hearing in the  
13 manner provided by regulations of the department. A hearing under this subsection is  
14 limited to the following questions:

15           (1) was the person holding the business license endorsement, or an  
16 agent or employee of the person while acting within the scope of the agency or  
17 employment of the person, convicted by plea or judicial finding of violating  
18 AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109;

19           (2) if the department does not allege a conviction of AS 11.76.100,  
20 11.76.106, 11.76.107, or 11.76.109, did the person, or an agent or employee of the  
21 person while acting within the scope of the agency or employment of the person,  
22 violate a provision of (a) or (g) of this section;

23           (3) within the 24 months before the date of the department's notice  
24 under this subsection, was the person, or an agent or employee of the person while  
25 acting within the scope of the agency or employment of the person, convicted of  
26 violating AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109 or adjudicated for  
27 violating a provision of (a) or (g) of this section;

28           (4) did the person holding the business license endorsement establish  
29 that the person holding the business license endorsement had adopted and enforced an  
30 education, a compliance, and a disciplinary program for agents and employees of the  
31 person as provided in (t) of this section;

1 (5) did the person holding the business license endorsement overcome  
2 the rebuttable presumption established in (w) of this section;

3 (6) within five years before the date of the violation that is the subject  
4 of the hearing, did the department establish that the person holding the business  
5 license endorsement

6 (A) previously violated (a) or (g) of this section;

7 (B) previously violated AS 11.76.100, 11.76.106, 11.76.107, or  
8 11.76.109 at a location or outlet in a location for which the person holds a  
9 business license endorsement, or had an agent or employee previously violate  
10 AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109; this subparagraph does not  
11 apply to a prior conviction that served to enhance a suspension period under  
12 (d)(2) - (4) of this section; or

13 (C) engaged at a location owned by the person in other conduct  
14 that was or is likely to result in the sale of tobacco, electronic smoking  
15 products, or products containing nicotine to a person under 21 [19] years of  
16 age in violation of AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109.

17 \* **Sec. 22.** AS 43.70.075(t) is amended to read:

18 (t) Based on evidence provided at the hearing under (m)(4) - (6) of this  
19 section, the department may reduce the license suspension period under (d) of this  
20 section if the person holding the business license endorsement establishes that, before  
21 the date of the violation, the person had

22 (1) adopted and enforced a written policy against selling cigarettes,  
23 cigars, tobacco, products containing tobacco, electronic smoking products, or products  
24 containing nicotine to a person under 21 [19] years of age in violation of  
25 AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109;

26 (2) informed the person's agents and employees of the applicable laws  
27 and their requirements and conducted training on complying with the laws and  
28 requirements;

29 (3) required each agent and employee of the person to sign a form  
30 stating that the agent and employee has been informed of and understands the written  
31 policy and the requirements of AS 11.76.100, 11.76.106, 11.76.107, and 11.76.109;

1 (4) determined that the agents and employees of the person had  
2 sufficient experience and ability to comply with the written policy and requirements of  
3 AS 11.76.100, 11.76.106, 11.76.107, and 11.76.109;

4 (5) required the agents and employees of the person to verify the age  
5 of purchasers of cigarettes, cigars, tobacco, other products containing tobacco,  
6 electronic smoking products, or products containing nicotine by means of a valid  
7 government issued photographic identification;

8 (6) established and enforced disciplinary sanctions for noncompliance  
9 with the written policy or the requirements of AS 11.76.100, 11.76.106, 11.76.107,  
10 and 11.76.109; and

11 (7) monitored the compliance of the agents and employees of the  
12 person with the written policy and the requirements of AS 11.76.100, 11.76.106,  
13 11.76.107, and 11.76.109.

14 \* **Sec. 23.** AS 43.70.075(w) is amended to read:

15 (w) For purposes of (m)(5) of this section, a conviction for a violation of  
16 AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109 by the agent or employee of the  
17 person who holds the business license endorsement is rebuttably presumed to  
18 constitute proof of the fact that the agent or employee negligently sold a cigarette, a  
19 cigar, or tobacco, a product containing tobacco, an electronic smoking product, or a  
20 product containing nicotine to a person under 21 [19] years of age. The person who  
21 holds the business license endorsement may overcome the presumption by  
22 establishing by clear and convincing evidence that the agent or employee did not  
23 negligently sell a cigarette, a cigar, or tobacco, a product containing tobacco, an  
24 electronic smoking product, or a product containing nicotine to a person under 21 [19]  
25 years of age in violation of AS 11.76.100, 11.76.106, 11.76.107, or 11.76.109 as  
26 alleged in the citation issued to the agent or employee. The presentation of evidence  
27 authorized by this subsection does not constitute a collateral attack on the conviction  
28 described in this subsection.

29 \* **Sec. 24.** AS 45.50.471(b) is amended by adding a new paragraph to read:

30 (58) marketing an electronic smoking product in a manner likely to  
31 promote use of electronic smoking products by a person under 21 years of age; in this

1 paragraph, "electronic smoking product" has the meaning given in AS 43.50.990.

2 \* **Sec. 25.** AS 47.12.030(b) is amended to read:

3 (b) When a minor is accused of violating a statute specified in this subsection,  
4 other than a statute the violation of which is a felony, this chapter and the Alaska  
5 Delinquency Rules do not apply and the minor accused of the offense shall be  
6 charged, prosecuted, and sentenced in the district court in the same manner as an  
7 adult; if a minor is charged, prosecuted, and sentenced for an offense under this  
8 subsection, the minor's parent, guardian, or legal custodian shall be present at all  
9 proceedings; the provisions of this subsection apply when a minor is accused of  
10 violating

11 (1) a traffic statute or regulation, or a traffic ordinance or regulation of  
12 a municipality;

13 (2) AS 11.76.105, relating to the possession of tobacco by a person  
14 under 21 [19] years of age;

15 (3) a fish and game statute or regulation under AS 16;

16 (4) a parks and recreational facilities statute or regulation under  
17 AS 41.21;

18 (5) [REPEALED]

19 (6) a municipal curfew ordinance, whether adopted under  
20 AS 29.35.085 or otherwise, unless the municipality provides for enforcement of its  
21 ordinance under AS 29.25.070(b) by the municipality; in place of any fine imposed for  
22 the violation of a municipal curfew ordinance, the court shall allow a defendant the  
23 option of performing community work; the value of the community work, which may  
24 not be lower than the amount of the fine, shall be determined under AS 12.55.055(c);  
25 in this paragraph, "community work" includes the work described in AS 12.55.055(b)  
26 or work that, on the recommendation of the municipal or borough assembly, city  
27 council, or traditional village council of the defendant's place of residence, would  
28 benefit persons within the municipality or village who are elderly or disabled;

29 (7) AS 04.16.050, relating to consumption, possession, or control of  
30 alcohol by a person under 21 years of age.

31 \* **Sec. 26.** AS 11.76.100(e) and 11.76.106(b)(4) are repealed.

1     \* **Sec. 27.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           APPLICABILITY. (a) The following sections apply to offenses committed on or after  
4 the effective date of those sections:

- 5           (1) AS 11.76.100(a), as amended by sec. 1 of this Act;
- 6           (2) AS 11.76.100(b), as amended by secs. 2 and 3 of this Act;
- 7           (3) AS 11.76.105, as amended by sec. 4 of this Act;
- 8           (4) AS 11.76.105(d), enacted by sec. 5 of this Act;
- 9           (5) AS 11.76.106(a), as amended by sec. 6 of this Act;
- 10          (6) AS 11.76.106(b), as amended by sec. 7 of this Act;
- 11          (7) AS 11.76.109(a), as amended by sec. 8 of this Act;
- 12          (8) AS 11.76.109(b), as amended by sec. 9 of this Act;
- 13          (9) AS 11.76.109(d), as amended by secs. 10 and 11 of this Act;
- 14          (10) AS 11.76.109(g), as amended by sec. 12 of this Act;
- 15          (11) AS 11.81.900(b)(69), enacted by sec. 13 of this Act;
- 16          (12) AS 43.50.325, enacted by sec. 18 of this Act;
- 17          (13) AS 43.50.885, enacted by sec. 19 of this Act; and
- 18          (14) AS 47.12.030(b), as amended by sec. 25 of this Act.

19          (b) AS 11.76.100(a)(4), as amended by sec. 1 of this Act, and AS 11.76.109(a)(4), as  
20 amended by sec. 8 of this Act, do not apply to a person 19 years of age or older who is  
21 employed on the effective date of secs. 1 and 8 of this Act by a person with a business license  
22 endorsement under AS 43.70.075.

23     \* **Sec. 28.** Sections 3 and 11 of this Act take effect on the effective date of secs. 153 and  
24 155, ch. 8, SLA 2022.

25     \* **Sec. 29.** Except as provided in sec. 28 of this Act, this Act takes effect July 1, 2023.