

REFERENCE TITLE: retail licensing; electronic smoking devices

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2778

Introduced by
Representative Liguori

AN ACT

AMENDING SECTIONS 13-3622, 36-798, 36-798.01 AND 36-798.02, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 6, ARTICLE 14, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-798.08, 36-798.09, 36-798.10 AND 36-798.11; RELATING TO TOBACCO PRODUCTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 13-3622, Arizona Revised Statutes, is amended to
3 read:

4 13-3622. Tobacco products; persons under twenty-one years of
5 age; classification; exceptions; definitions

6 A. A person who ~~knowingly~~ sells, gives or furnishes a tobacco
7 product, ~~a vapor product or any instrument or paraphernalia that is solely~~
8 ~~designed for smoking or ingesting tobacco or shisha, including a hookah or~~
9 ~~waterpipe,~~ to a person who is under twenty-one years of age is guilty of a
10 petty offense.

11 ~~B. Except as provided in section 36-798.07, a person who is under~~
12 ~~twenty-one years of age and who buys, or has in the person's possession or~~
13 ~~knowingly accepts or receives from any person, a tobacco product, a vapor~~
14 ~~product or any instrument or paraphernalia that is solely designed for~~
15 ~~smoking or ingesting tobacco or shisha, including a hookah or waterpipe,~~
16 ~~is guilty of a petty offense, and if the offense involves any instrument~~
17 ~~or paraphernalia that is solely designed for smoking or ingesting tobacco~~
18 ~~or shisha, shall pay a fine of at least \$100 or perform at least thirty~~
19 ~~hours of community restitution.~~

20 ~~C.~~ B. A person who is under twenty-one years of age AND who
21 misrepresents the person's age to another person by means of a written
22 instrument of identification with the intent to induce the other person to
23 sell, give or furnish a tobacco product, ~~a vapor product or any instrument~~
24 ~~or paraphernalia that is solely designed for smoking or ingesting tobacco~~
25 ~~or shisha, including a hookah or waterpipe, in violation of subsection A~~
26 ~~or B of this section~~ is guilty of a petty offense and, notwithstanding
27 section 13-802, shall pay a fine of not more than ~~\$500~~ \$100.

28 ~~D.~~ C. This section does not apply to ~~any of the following:~~

29 ~~1. Cigars, cigarettes or cigarette papers, smoking or chewing~~ A
30 tobacco PRODUCT or any instrument or paraphernalia that is solely designed
31 for smoking or ingesting tobacco or shisha, including a hookah or
32 waterpipe, if it is used or intended to be used in connection with a bona
33 fide practice of a religious belief and as an integral part of a religious
34 or ceremonial exercise.

35 ~~2. Any instrument or paraphernalia that is solely designed for~~
36 ~~smoking or ingesting tobacco or shisha, including a hookah or waterpipe,~~
37 ~~that is given to or possessed by a person who is under twenty-one years of~~
38 ~~age if the instrument or paraphernalia was a gift or souvenir and is not~~
39 ~~used or intended to be used by the person who is under twenty-one years of~~
40 ~~age to smoke or ingest tobacco or shisha.~~

41 ~~E.~~ D. For the purposes of this section:

42 1. "ELECTRONIC SMOKING DEVICE":

43 (a) MEANS ANY DEVICE THAT MAY BE USED TO DELIVER ANY AEROSOLIZED OR
44 VAPORIZED SUBSTANCE TO THE PERSON WHO INHALES FROM THE DEVICE, INCLUDING
45 AN E-CIGARETTE, E-CIGAR, E-PIPE, VAPE PEN OR E-HOOKAH.

1 (b) INCLUDES:

2 (i) ANY COMPONENT, PART OR ACCESSORY OF THE DEVICE.

3 (ii) ANY SUBSTANCE THAT IS INTENDED TO BE AEROSOLIZED OR VAPORIZED
4 DURING THE USE OF THE DEVICE, WHETHER OR NOT THE SUBSTANCE CONTAINS
5 NICOTINE.

6 (c) DOES NOT INCLUDE DRUGS, DEVICES OR COMBINATION PRODUCTS
7 AUTHORIZED FOR SALE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION, AS
8 THOSE TERMS ARE DEFINED IN THE FEDERAL FOOD, DRUG, AND COSMETIC ACT OR THE
9 REGULATIONS ADOPTED PURSUANT TO THAT ACT.

10 ~~1.~~ 2. "Shisha" includes any mixture of tobacco leaf and honey,
11 molasses or dried fruit or any other sweetener.

12 ~~2.~~ 3. "Tobacco product":

13 (a) Means any of the following:

14 ~~(a) Cigars.~~

15 ~~(b) Cigarettes.~~

16 ~~(c) Cigarette papers of any kind.~~

17 ~~(d) Smoking tobacco of any kind.~~

18 ~~(e) Chewing tobacco of any kind.~~

19 ~~3. "Vapor product":~~

20 ~~(a) Means a noncombustible tobacco-derived product containing~~
21 ~~nicotine that employs a mechanical heating element, battery or circuit,~~
22 ~~regardless of shape or size, that can be used to heat a liquid nicotine~~
23 ~~solution contained in cartridges.~~

24 ~~(b) Does not include any product that is regulated by the United~~
25 ~~States food and drug administration under chapter V of the federal food,~~
26 ~~drug, and cosmetic act.~~

27 (i) A PRODUCT CONTAINING, MADE OF OR DERIVED FROM TOBACCO OR
28 NICOTINE THAT IS INTENDED FOR HUMAN CONSUMPTION OR IS LIKELY TO BE
29 CONSUMED, WHETHER INHALED, ABSORBED OR INGESTED BY ANY OTHER MEANS,
30 INCLUDING A CIGARETTE, A CIGAR, PIPE TOBACCO, SHISHA, BEEDIES, BIDIS,
31 CHEWING TOBACCO, SNUFF OR SNUS.

32 (ii) AN ELECTRONIC SMOKING DEVICE AND ANY SUBSTANCE THAT MAY BE
33 AEROSOLIZED OR VAPORIZED BY THE DEVICE, WHETHER OR NOT THE SUBSTANCE
34 CONTAINS NICOTINE.

35 (iii) A COMPONENT, PART OR ACCESSORY OF ANY PRODUCT, ELECTRONIC
36 SMOKING DEVICE OR SUBSTANCE THAT IS LISTED IN ITEM (i) OR (ii) OF THIS
37 SUBDIVISION, WHETHER OR NOT ANY OF THESE CONTAIN TOBACCO OR NICOTINE,
38 INCLUDING FILTERS, ROLLING PAPERS, BLUNT OR HEMP WRAPS AND PIPES.

39 (b) DOES NOT INCLUDE DRUGS, DEVICES OR COMBINATION PRODUCTS
40 AUTHORIZED FOR SALE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION, AS
41 THOSE TERMS ARE DEFINED IN THE FEDERAL FOOD, DRUG, AND COSMETIC ACT OR THE
42 REGULATIONS ADOPTED PURSUANT TO THAT ACT.

1 Sec. 2. Section 36-798, Arizona Revised Statutes, is amended to
2 read:

3 36-798. Definitions

4 In this article, unless the context otherwise requires:

5 1. "Bar" means that portion of any premises licensed under section
6 4-209, subsection B, paragraph 6, 7, 11, 12 or 14 that is primarily used
7 for ~~the~~ selling, ~~consumption~~ CONSUMING or serving ~~of~~ alcoholic beverages
8 and that is not primarily used for ~~the consumption of~~ CONSUMING food on
9 the premises.

10 2. "Beedies" or "bidis" means a product containing tobacco that is
11 wrapped in temburni leaf (diospyros melanoxylon) or tendu leaf (diospyros
12 exculpra); ~~or any other product that is offered to,~~ or purchased
13 by, ~~consumers as beedies or bidis.~~

14 3. "Cigar" means a roll of tobacco or any lawful substitute for
15 tobacco that is wrapped in tobacco.

16 4. "Cigarette" means a roll of tobacco or any lawful substitute for
17 tobacco that is wrapped in paper or in any substance other than tobacco.

18 ~~5. "Minor" means a person who is under eighteen years of age.~~

19 5. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.

20 6. "ELECTRONIC SMOKING DEVICE":

21 (a) MEANS ANY DEVICE THAT MAY BE USED TO DELIVER ANY AEROSOLIZED OR
22 VAPORIZED SUBSTANCE TO THE PERSON WHO INHALES FROM THE DEVICE, INCLUDING
23 AN E-CIGARETTE, E-CIGAR, E-PIPE, VAPE PEN OR E-HOOKAH.

24 (b) INCLUDES:

25 (i) ANY COMPONENT, PART OR ACCESSORY OF THE DEVICE.

26 (ii) ANY SUBSTANCE THAT IS INTENDED TO BE AEROSOLIZED OR VAPORIZED
27 DURING THE USE OF THE DEVICE, WHETHER OR NOT THE SUBSTANCE CONTAINS
28 NICOTINE.

29 (c) DOES NOT INCLUDE DRUGS, DEVICES OR COMBINATION PRODUCTS
30 AUTHORIZED FOR SALE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION, AS
31 THOSE TERMS ARE DEFINED IN THE FEDERAL FOOD, DRUG, AND COSMETIC ACT OR THE
32 REGULATIONS ADOPTED PURSUANT TO THAT ACT.

33 ~~6.~~ 7. "Retail tobacco vendor":

34 (a) Means a person, ~~who possesses tobacco or tobacco products for~~
35 ~~the purpose of selling them for consumption and not for resale~~
36 PARTNERSHIP, JOINT VENTURE, SOCIETY, CLUB, TRUSTEE, TRUE ASSOCIATION,
37 ORGANIZATION OR CORPORATION THAT OWNS, OPERATES OR MANAGES ANY TOBACCO
38 RETAIL ESTABLISHMENT.

39 (b) DOES NOT INCLUDE THE NONMANAGEMENT EMPLOYEES OF ANY TOBACCO
40 RETAIL ESTABLISHMENT.

41 8. "SELF-SERVICE DISPLAY":

42 (a) MEANS ANY DISPLAY FROM WHICH CUSTOMERS MAY SELECT A TOBACCO
43 PRODUCT WITHOUT ASSISTANCE FROM THE RETAIL TOBACCO VENDOR OR THE RETAIL
44 TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE AND WITHOUT A DIRECT

PERSON-TO-PERSON TRANSFER BETWEEN THE PURCHASER AND THE RETAIL TOBACCO VENDOR OR RETAIL TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE.

(b) INCLUDES A VENDING MACHINE.

~~7.~~ 9. "Smokeless tobacco" includes shredded tobacco, snuff, cavendish and plug, twist and other tobacco products that are intended for oral use but not for smoking.

~~8.~~ 10. "Smoking tobacco" includes any tobacco or tobacco product, other than cigarettes and cigars, that is intended to be smoked.

~~9.~~ 11. "Tobacco ~~products~~ PRODUCT": ~~includes cigarettes, cigarette papers, cigars, smokeless tobacco and smoking tobacco.~~

(a) MEANS ANY OF THE FOLLOWING:

(i) A PRODUCT CONTAINING, MADE OF OR DERIVED FROM TOBACCO OR NICOTINE THAT IS INTENDED FOR HUMAN CONSUMPTION OR IS LIKELY TO BE CONSUMED, WHETHER INHALED, ABSORBED OR INGESTED BY ANY OTHER MEANS, INCLUDING A CIGARETTE, A CIGAR, PIPE TOBACCO, SHISHA, BEEDIES, BIDIS, CHEWING TOBACCO, SNUFF OR SNUS.

(ii) AN ELECTRONIC SMOKING DEVICE AND ANY SUBSTANCE THAT MAY BE AEROSOLIZED OR VAPORIZED BY THE DEVICE, WHETHER OR NOT THE SUBSTANCE CONTAINS NICOTINE.

(iii) A COMPONENT, PART OR ACCESSORY OF ANY PRODUCT, ELECTRONIC SMOKING DEVICE OR SUBSTANCE THAT IS LISTED IN ITEM (i) OR (ii) OF THIS SUBDIVISION, WHETHER OR NOT ANY OF THESE CONTAIN TOBACCO OR NICOTINE, INCLUDING FILTERS, ROLLING PAPERS, BLUNT OR HEMP WRAPS AND PIPES.

(b) DOES NOT INCLUDE DRUGS, DEVICES OR COMBINATION PRODUCTS AUTHORIZED FOR SALE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION, AS THOSE TERMS ARE DEFINED IN THE FEDERAL FOOD, DRUG, AND COSMETIC ACT OR THE REGULATIONS ADOPTED PURSUANT TO THAT ACT.

12. "TOBACCO RETAIL ESTABLISHMENT" MEANS ANY ESTABLISHMENT AT WHICH A TOBACCO PRODUCT IS SOLD, OFFERED FOR SALE, EXCHANGED FOR ANY FORM OF CONSIDERATION OR OFFERED FOR EXCHANGE FOR ANY FORM OF CONSIDERATION.

~~10.~~ 13. "Vending machine" means any mechanical, electrical or electronic device that, on insertion of money, tokens or any other form of payment, automatically dispenses tobacco products.

Sec. 3. Section 36-798.01, Arizona Revised Statutes, is amended to read:

36-798.01. Retail tobacco vendors: selling, furnishing, giving or providing tobacco products; person under twenty-one years of age; prohibitions; penalties; compliance checks

A. It is unlawful for a retail tobacco vendor OR A RETAIL TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE to sell, furnish, give or provide ~~beedies or bidis~~ A TOBACCO PRODUCT to a person who is under twenty-one years of age in this state.

~~B. Any person who violates this section is guilty of a class 3 misdemeanor.~~

B. BEFORE DISTRIBUTING ANY TOBACCO PRODUCT, THE RETAIL TOBACCO VENDOR OR THE RETAIL TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE SHALL VERIFY THAT THE PURCHASER IS AT LEAST TWENTY-ONE YEARS OF AGE. EACH RETAIL TOBACCO VENDOR OR RETAIL TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE SHALL EXAMINE THE PURCHASER'S GOVERNMENT-ISSUED PHOTOGRAPHIC IDENTIFICATION. THIS VERIFICATION IS NOT REQUIRED FOR A PERSON WHO IS THIRTY YEARS OF AGE OR OLDER. THE FACT THAT A PURCHASER APPEARED TO BE THIRTY YEARS OF AGE OR OLDER DOES NOT CONSTITUTE A DEFENSE TO A VIOLATION OF THIS SUBSECTION.

C. IF A RETAIL TOBACCO VENDOR OR THE RETAIL TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE VIOLATES THIS SECTION OR SECTION 13-3622 OR 36-798.02, THE RETAIL TOBACCO VENDOR IS SUBJECT TO THE FOLLOWING PENALTIES:

1. FOR A FIRST VIOLATION, THE RETAIL TOBACCO VENDOR OR THE RETAIL TOBACCO VENDOR'S REPRESENTATIVE, AGENT OR EMPLOYEE WHO IS CITED FOR THE VIOLATION SHALL ATTEND A TOBACCO-RELATED EDUCATION CLASS THAT IS APPROVED BY THE DEPARTMENT, IF AVAILABLE. IF AN EDUCATION CLASS IS NOT AVAILABLE, THE RETAIL TOBACCO VENDOR IS SUBJECT TO A CIVIL PENALTY OF AT LEAST \$500 BUT NOT MORE THAN \$750.

2. FOR A SECOND VIOLATION WITHIN A THIRTY-SIX-MONTH PERIOD, A CIVIL PENALTY OF AT LEAST \$750 BUT NOT MORE THAN \$1,000, AND THE RETAIL TOBACCO VENDOR IS PROHIBITED FROM DISTRIBUTING TOBACCO PRODUCTS FOR AT LEAST SEVEN DAYS.

3. FOR A THIRD VIOLATION WITHIN A THIRTY-SIX-MONTH PERIOD, A CIVIL PENALTY OF AT LEAST \$1,000 BUT NOT MORE THAN \$1,500, AND THE RETAIL TOBACCO VENDOR IS PROHIBITED FROM DISTRIBUTING TOBACCO PRODUCTS FOR AT LEAST THIRTY DAYS.

4. FOR A FOURTH OR ANY SUBSEQUENT VIOLATION WITHIN A THIRTY-SIX-MONTH PERIOD, A CIVIL PENALTY OF AT LEAST \$1,000 BUT NOT MORE THAN \$3,000, AND THE RETAIL TOBACCO VENDOR IS PROHIBITED FROM DISTRIBUTING TOBACCO PRODUCTS FOR A PERIOD OF THREE YEARS.

D. IN ADDITION TO THE PENALTIES IMPOSED ON THE RETAIL TOBACCO VENDOR FOR A VIOLATION OF THIS SECTION OR SECTION 13-3622 OR 36-798.02, ANY PERSON FOUND TO HAVE VIOLATED THIS SECTION OR SECTION 13-3622 OR 36-798.02 WHILE ACTING AS A NONMANAGEMENT AGENT OR EMPLOYEE OF A RETAIL TOBACCO VENDOR IS SUBJECT TO NONCRIMINAL, NONMONETARY PENALTIES, INCLUDING EDUCATION CLASSES OR COMMUNITY SERVICE.

E. THE RETAIL TOBACCO VENDOR IS SUBJECT TO AT LEAST TWO UNANNOUNCED COMPLIANCE CHECKS ANNUALLY. THE DEPARTMENT OR ITS AUTHORIZED DESIGNEE SHALL CONDUCT COMPLIANCE CHECKS BY ENGAGING PERSONS WHO ARE AT LEAST EIGHTEEN YEARS OF AGE AND UNDER TWENTY-ONE YEARS OF AGE TO ENTER THE TOBACCO RETAIL ESTABLISHMENT TO ATTEMPT TO PURCHASE TOBACCO PRODUCTS. UNANNOUNCED FOLLOW-UP COMPLIANCE CHECKS OF ALL NONCOMPLIANT RETAIL TOBACCO VENDORS ARE REQUIRED WITHIN THREE MONTHS AFTER ANY VIOLATION OF THIS

ARTICLE. THE DEPARTMENT SHALL PUBLISH AND POST ONLINE THE RESULTS OF ALL COMPLIANCE CHECKS AT LEAST ANNUALLY.

F. IN ADDITION TO ANY OTHER PENALTY, A RETAIL TOBACCO VENDOR THAT VIOLATES ANY PROVISION OF THIS ARTICLE, THE RULES ADOPTED PURSUANT TO THIS ARTICLE OR ANY FEDERAL LAW, STATE LAW OR LOCAL ORDINANCE RELATING TO TOBACCO PRODUCT SALES OR MARKETING IS SUBJECT TO THE PENALTIES PRESCRIBED IN THIS SECTION, INCLUDING CIVIL PENALTIES AND THE PROHIBITION FROM DISTRIBUTING TOBACCO PRODUCTS AS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

G. THE DEPARTMENT SHALL DEPOSIT ALL CIVIL PENALTIES COLLECTED PURSUANT TO THIS SECTION IN THE STATE GENERAL FUND.

Sec. 4. Section 36-798.02, Arizona Revised Statutes, is amended to read:

36-798.02. Self-service displays; sales of tobacco products; penalties

A. A person ~~shall~~ MAY not sell tobacco products through a ~~vending machine~~ SELF-SERVICE DISPLAY unless the ~~vending machine~~ SELF-SERVICE DISPLAY is located in either:

1. A bar THAT DOES NOT ALLOW PERSONS TO ENTER WHO ARE UNDER TWENTY-ONE YEARS OF AGE.

2. An employee lounge area that is not open to the public and the business in which the lounge area is located does not employ ~~minors~~ PERSONS WHO ARE UNDER TWENTY-ONE YEARS OF AGE.

~~B. A sign measuring at least eighty square inches shall be obviously affixed to the front of each vending machine. The sign shall state in block letters that it is illegal for a person who is under twenty-one years of age to purchase cigarettes or tobacco products and, on conviction, a fine of up to \$300 may be imposed.~~

~~C.~~ B. This article does not invalidate an ordinance of or prohibit the adoption of an ordinance by a county, city or town to further restrict SELF-SERVICE DISPLAYS OR the location of ~~vending machines or specify different wording for the vending machine signs as required by subsection B of this section~~ SELF-SERVICE DISPLAYS.

~~D.~~ C. A person who violates this section is ~~guilty of a petty offense~~ SUBJECT TO THE PENALTIES PRESCRIBED IN SECTION 36-798.01.

Sec. 5. Title 36, chapter 6, article 14, Arizona Revised Statutes, is amended by adding sections 36-798.08, 36-798.09, 36-798.10 and 36-798.11, to read:

36-798.08. Tobacco retail sales licenses; requirements; fees; penalties

A. BEGINNING JANUARY 1, 2028, A RETAIL TOBACCO VENDOR MAY NOT DISTRIBUTE TOBACCO PRODUCTS IN THIS STATE WITHOUT A VALID TOBACCO RETAIL SALES LICENSE. A RETAIL TOBACCO VENDOR THAT DISTRIBUTES TOBACCO PRODUCTS IN THIS STATE SHALL SECURE FOR EACH LOCATION, AND DISPLAY AT ALL TIMES, A

1 TOBACCO RETAIL SALES LICENSE ISSUED BY THE DEPARTMENT BEFORE ENGAGING OR
2 CONTINUING TO ENGAGE IN SUCH BUSINESS.

3 B. THE DEPARTMENT SHALL ESTABLISH FEES FOR AN INITIAL TOBACCO
4 RETAIL SALES LICENSE AND THE RENEWAL OF THAT LICENSE. THE DEPARTMENT
5 SHALL DEPOSIT THE FEES COLLECTED PURSUANT TO THIS SECTION IN THE TOBACCO
6 RETAIL SALES LICENSING FUND ESTABLISHED BY SECTION 36-798.10.

7 C. A TOBACCO RETAIL SALES LICENSE IS VALID FOR ONE YEAR, UNLESS THE
8 LICENSE IS SUSPENDED OR REVOKED BY THE DEPARTMENT OR THE DEPARTMENT'S
9 DESIGNEE. A TOBACCO RETAIL SALES LICENSE MAY NOT BE RENEWED IF THE RETAIL
10 TOBACCO VENDOR HAS ANY OUTSTANDING PENALTIES PURSUANT TO THIS ARTICLE.
11 THE DEPARTMENT MAY RECEIVE AND REVIEW TOBACCO RETAIL SALES LICENSE
12 APPLICATIONS ELECTRONICALLY.

13 D. IF A RETAIL TOBACCO VENDOR APPLIES FOR A TOBACCO RETAIL SALES
14 LICENSE FROM THE DEPARTMENT FOR A LOCATION THAT IS WITHIN THE JURISDICTION
15 OF A LOCAL LICENSING AUTHORITY, THE DEPARTMENT MAY NOT ISSUE A TOBACCO
16 RETAIL SALES LICENSE TO THE RETAIL TOBACCO VENDOR UNTIL THE RETAIL TOBACCO
17 VENDOR OBTAINS THE REQUIRED LOCAL LICENSE AND PROVIDES A COPY OF THE LOCAL
18 LICENSE TO THE DEPARTMENT.

19 E. A TOBACCO RETAIL SALES LICENSE MAY NOT BE ISSUED OR RENEWED TO A
20 RETAIL TOBACCO VENDOR UNTIL THE RETAIL TOBACCO VENDOR SIGNS A FORM STATING
21 THAT THE RETAIL TOBACCO VENDOR HAS READ THIS ARTICLE AND HAS PROVIDED
22 TRAINING TO ALL EMPLOYEES ON THE SALE OF TOBACCO PRODUCTS. THE TRAINING
23 SHALL INCLUDE THE FOLLOWING INFORMATION:

24 1. THAT IT IS ILLEGAL TO SELL TOBACCO PRODUCTS TO PERSONS WHO ARE
25 UNDER TWENTY-ONE YEARS OF AGE.

26 2. THE TYPES OF IDENTIFICATION THAT ARE LEGALLY ACCEPTABLE FOR THE
27 PROOF OF AGE.

28 3. THAT SALES OF TOBACCO PRODUCTS TO PERSONS WHO ARE UNDER
29 TWENTY-ONE YEARS OF AGE SUBJECT THE RETAIL TOBACCO VENDOR TO PENALTIES.

30 F. THE TOBACCO RETAIL SALES LICENSE IS NONTRANSFERABLE. IF A
31 RETAIL TOBACCO VENDOR CEASES TO BE A RETAILER AT THE LICENSED RETAIL
32 LOCATION BY REASON OF DISCONTINUATION, SALE OR TRANSFER OF THE RETAIL
33 TOBACCO VENDOR'S BUSINESS, THE RETAIL TOBACCO VENDOR SHALL NOTIFY THE
34 DEPARTMENT IN WRITING AT THE TIME THE DISCONTINUANCE, SALE OR TRANSFER
35 TAKES EFFECT.

36 G. ANY BUSINESS FOUND TO BE SELLING TOBACCO PRODUCTS WITHOUT A
37 TOBACCO RETAIL SALES LICENSE IS SUBJECT TO THE FOLLOWING:

38 1. FOR A FIRST VIOLATION, A CIVIL PENALTY OF AT LEAST \$500 BUT NOT
39 MORE THAN \$1,000.

40 2. FOR A SECOND VIOLATION WITHIN A THIRTY-SIX-MONTH PERIOD, A CIVIL
41 PENALTY OF AT LEAST \$500 BUT NOT MORE THAN \$1,000 AND THE DEPARTMENT SHALL
42 ISSUE A CEASE AND DESIST ORDER PROHIBITING THE BUSINESS FROM SELLING
43 TOBACCO PRODUCTS AND NOTIFYING THE BUSINESS OWNER THAT THE BUSINESS IS
44 INELIGIBLE TO RECEIVE A TOBACCO RETAIL SALES LICENSE FOR A PERIOD OF THREE
45 YEARS AFTER THE DATE OF THE SECOND VIOLATION.

1 36-798.09. Rulemaking: delegation of authority:
2 collaboration; reporting requirements

3 A. THE DEPARTMENT SHALL ADOPT RULES TO ESTABLISH A STATEWIDE
4 TOBACCO RETAIL SALES LICENSE AND TO CARRY OUT THIS ARTICLE.

5 B. THE DEPARTMENT MAY DELEGATE THE ENFORCEMENT AND COMPLIANCE
6 INSPECTIONS REQUIRED UNDER THIS ARTICLE TO ANY COUNTY THAT ACCEPTS THIS
7 DELEGATION.

8 C. THE DEPARTMENT MAY COLLABORATE WITH AND USE THE FINDINGS OF
9 OTHER AGENCIES, INCLUDING THE ATTORNEY GENERAL'S OFFICE, LOCAL LICENSING
10 AUTHORITIES AND LAW ENFORCEMENT, TO CARRY OUT THE OBLIGATIONS OF THIS
11 ARTICLE AND TO ENSURE THAT THE COMPLAINTS RECEIVED BY OTHER AGENCIES OR
12 LOCAL LICENSING AUTHORITIES ARE FORWARDED TO THE DEPARTMENT FOR TIMELY
13 INVESTIGATION AND ACTION.

14 D. A LOCAL LICENSING AUTHORITY OR ANY LAW ENFORCEMENT OR OTHER
15 LOCAL ENTITY CONDUCTING COMPLIANCE CHECKS TO ASSESS RETAIL TOBACCO VENDOR
16 COMPLIANCE WITH THE MINIMUM LEGAL AGE OF SALE FOR TOBACCO PRODUCTS SHALL
17 REPORT THE COMPLIANCE CHECK RESULTS TO THE DEPARTMENT. ANY VIOLATION
18 SHALL BE COUNTED AS A VIOLATION OF THE RETAIL TOBACCO VENDOR'S TOBACCO
19 RETAIL SALES LICENSE.

20 36-798.10. Tobacco retail sales licensing fund

21 THE TOBACCO RETAIL SALES LICENSING FUND IS ESTABLISHED CONSISTING OF
22 LICENSING FEES COLLECTED PURSUANT TO THIS ARTICLE. THE DEPARTMENT SHALL
23 ADMINISTER THE FUND. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS
24 35-146 AND 35-147, NINETY PERCENT OF ALL LICENSING FEES COLLECTED UNDER
25 THIS ARTICLE IN THE TOBACCO RETAIL SALES LICENSING FUND AND THE REMAINING
26 TEN PERCENT IN THE STATE GENERAL FUND. MONIES IN THE FUND ARE SUBJECT TO
27 LEGISLATIVE APPROPRIATION AND SHALL BE USED TO ADMINISTER AND ENFORCE THIS
28 ARTICLE.

29 36-798.11. Local authority

30 THIS ARTICLE DOES NOT RESTRICT THE AUTHORITY OF ANY CITY, TOWN OR
31 COUNTY TO ADOPT AND ENFORCE ADDITIONAL LAWS, ORDINANCES OR REGULATIONS
32 THAT COMPLY WITH THE MINIMUM APPLICABLE STANDARDS SET FORTH IN THIS
33 ARTICLE.

34 Sec. 6. Rulemaking exemption

35 Notwithstanding any other law, for the purposes of this act, the
36 department of health services is exempt from the rulemaking requirements
37 of title 41, chapters 6 and 6.1, Arizona Revised Statutes, for twenty-four
38 months after the effective date of this act.