



**Bill Number: H.B. 4001**

**Bolick Floor Amendment**

**Reference to: REGULATORY AFFAIRS AND  
GOVERNMENT EFFICIENCY Committee Amendment**

**Amendment drafted by: Jason Theodorou**

## **FLOOR AMENDMENT EXPLANATION**

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### *Duties of the Department of Liquor Licenses and Control (DLLC)*

1. Allows the DLLC Director to issue and enforce cease and desist orders against any person or entity that sells, distributes or manufactures alternative nicotine products without an appropriate license or permit.
2. Adds that the DLLC Director may accept and expend private grants of monies for conducting educational programs on the repercussions of using alternative nicotine products by a person under 21 years of age.

### *Transaction Documentation*

3. Specifies that a distributor or manufacturer of alternative nicotine products must maintain documentation for each transaction at its facility for three years.
4. Requires a distributor or manufacturer of alternative nicotine products to provide the documentation to the DLLC upon request.

### *Distributor and Manufacturer Licensure*

5. States that an alternative nicotine products distributor or manufacturer license is valid for one year, rather than two years.
6. Requires each applicant for a distributor or manufacturer license to be:
  - a) a citizen of the United States and a bona fide resident of Arizona; or
  - b) a legal resident alien who is a bona fide resident of Arizona.
7. Outlines the applicability of the citizenship and resident requirements for applicants that are a corporation, limited liability company (LLC), partnership or out-of-state licensee.
8. Requires an applicant that is a corporation or LLC to be qualified to do business in Arizona.
9. Requires a distributor or manufacturer license applicant that is a corporation or LLC to file, with the DLLC, a list of the corporation's or LLC's officers and directors and any shareholders who own 10 percent or more of the corporation or LLC.

10. Requires a distributor or manufacturer license applicant or licensee to hold a license that is issued to a corporation, LLC, partnership or out-of-state licensee through an agent who is a natural person.
11. Requires notice of a change of agent to be filed with the DLLC Director within 30 days after a change of agent.
12. Requires the DLLC to issue a distributor or manufacturer license to an applicant that meets all qualifications within 105 days after filing the application.
13. Requires each distributor or manufacturer license applicant to designate a manager who is responsible for managing the premises owned by the applicant.
14. Allows the designated person to be the applicant.
15. Allows the same person to be designated as the manager for more than one premise owned by the same applicant or licensee.
16. Requires a notice of a change of a licensee's manager to be filed with the DLLC Director within 30 days after a change.
17. Requires the DLLC Director to require any distributor or manufacturer license applicant or controlling person, other than a bank or licensed lending institution, to certify that the applicant or controlling person has not been convicted of a felony.
18. Requires the certification to be on a form that is provided by the DLLC and that is notarized.

#### ***License Denial and Appeal***

19. Prohibits a distributor or manufacturer license from being issued to any applicant who, within one year before submitting an application, has had a license revoked.
20. Prohibits a distributor or manufacturer license from being issued to or renewed for any applicant or licensee who, within five years before submitting an application for a license or renewal, has been convicted of a felony or an offense in another state or jurisdiction that would be a felony in Arizona.
21. Allows a distributor or manufacturer license applicant or licensee that is denied a license or a renewal by the DLLC to appeal the decision to the State Liquor Board.
22. Allows the DLLC Director, after notice and a hearing, to suspend, revoke or refuse to renew any license for prescribed violations.

#### ***License Renewal***

23. Requires a distributor and manufacturer license to be renewed annually in a manner prescribed by the DLLC Director.
24. Allows the DLLC Director to establish a fee for a distributor or manufacturer license renewal.
25. Requires a distributor or manufacturer licensee that fails to renew a license by the renewal date to pay a penalty that is determined by the DLLC Director.
26. Requires the distributor or manufacturer licensee to pay the late renewal penalty with the licensee's renewal fee.

### ***Manufacturer's Product Catalog***

27. Allows a manufacturer license applicant to provide the DLLC with an updated product catalog while the applicant's application is pending approval.
28. Allows a manufacturer licensee to submit an updated product catalog to the DLLC at any time.
29. States that submitting an updated product catalog is supplementary and does not:
  - a) render an application for a license incomplete;
  - b) affect the validity of the license; or
  - c) affect the eligibility of the applicant or licensee.
30. Requires a manufacturer license or renewal applicant to file with the application a notarized attestation that is signed under penalty of perjury that each alternative nicotine product identified in the manufacturer's product catalog is submitted to the FDA for federal approval.

### ***Liquor Licenses Fund***

31. States that all receipts derived from distributor and manufacturer license applications are appropriated to the DLLC.
32. Requires the DLLC to deposit monies received in accordance with distributor and manufacturer licensure into the Liquor Licenses Fund.
33. Requires the amount deposited into the Liquor Licenses Fund from distributor and manufacturer licensure to be without regard to the amount that is appropriated to the DLLC by the Legislature.

### ***Products Deemed Contraband***

34. Specifies that alternative nicotine products that are offered for sale in violation of the distributor or manufacturer licensure requirements or marketing restrictions may be deemed contraband and seized as evidence in a criminal proceeding.
35. Requires the court, on adjudication of a criminal proceeding, to order alternative nicotine products that are deemed contraband to be destroyed as a term of the disposition of the criminal proceeding.

### ***Marketing Restrictions***

36. Prohibits a person, rather than a licensee, from marketing, advertising, selling or causing to be sold an alternative nicotine product in a container that would appeal to minors under prescribed criteria.
37. Deems a violation of the alternative nicotine products marketing restrictions a class 3 misdemeanor.

### ***Miscellaneous***

38. Specifies that a person that manufactures alternative nicotine products for sale in Arizona without a license is subject to a manufacturing prohibition for a period of one year.
39. Removes the requirement for an alternative nicotine products retailer to scan a person's identification using an electronic scanning device.
40. Defines *agent*.
41. Makes technical and conforming changes.

BOLICK FLOOR AMENDMENT  
SENATE AMENDMENTS TO H.B. 4001

(Reference to REGULATORY AFFAIRS AND GOVERNMENT EFFICIENCY Committee amendment)

Amendment instruction key:

[GREEN UPPERCASE UNDERLINING IN BRACKETS] indicates that the amendment is adding text to statute

or previously enacted session law.

[Green lowercase underlining in brackets] indicates that the amendment is adding text to new session law or is restoring previously stricken text to existing statute.

~~[GREEN UPPERCASE STRIKEOUT IN BRACKETS]~~ indicates that the amendment is removing new text from statute or previously enacted session law.

~~[Green lowercase strikeout in brackets]~~ indicates that the amendment is removing text from existing statute, previously enacted session law or new session law.

<<Double green carets enclosing an entire section>> indicates that the amendment is adding the section to the bill.

~~<<Green strikeout with double green carets enclosing an entire section>>~~ indicates that the amendment is removing the section to the bill.

{{ORANGE UPPERCASE UNDERLINING IN DOUBLE CURLY BRACKETS}} indicates that the amendment to an amendment is adding text to statute or previously enacted session law.

{{Orange lowercase underlining in double curly brackets}} indicates that the amendment to an amendment is adding text to new session law or is restoring previously stricken text to existing statute.

~~{{ORANGE UPPERCASE STRIKEOUT IN DOUBLE CURLY BRACKETS}}~~ indicates that the amendment to an amendment is removing new text from statute or previously enacted session law.

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1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Heading change

3 The title heading of title 4, Arizona Revised Statutes, is changed  
4 from "ALCOHOLIC BEVERAGES" to "ALCOHOLIC BEVERAGES AND ALTERNATIVE  
5 NICOTINE PRODUCTS".

6 Sec. 2. Section 4-101, Arizona Revised Statutes, is amended to  
7 read:

8 4-101. Definitions

9 In this title, unless the context otherwise requires:

10 1. "Act of violence":

11 (a) Means an incident that consists of a riot, a fight, an  
12 altercation or tumultuous conduct and that meets at least one of the  
13 following criteria:

14 (i) Bodily injuries are sustained by any person and the injuries  
15 would be obvious to a reasonable person.

16 (ii) Is of sufficient intensity as to require the intervention of a  
17 peace officer to restore normal order.

1 (iii) A weapon is brandished, displayed or used.

2 (iv) A licensee or an employee or contractor of the licensee fails  
3 to follow a clear and direct lawful order from a law enforcement officer  
4 or a fire marshal.

5 (b) Does not include the use of nonlethal devices by a peace  
6 officer.

7 2. "Aggrieved party" means a person who resides at, owns or leases  
8 property within a one-mile radius of premises proposed to be licensed and  
9 who filed a written request with the department to speak in favor of or  
10 opposition to the issuance of the license not later than sixty days after  
11 filing the application or fifteen days after action by the local governing  
12 body, whichever is sooner.

13 3. "ALTERNATIVE NICOTINE PRODUCT":

14 (a) MEANS ANY NONCOMBUSTIBLE PRODUCT THAT CONTAINS NICOTINE AND  
15 THAT IS INTENDED FOR HUMAN CONSUMPTION, WHETHER CHEWED, ABSORBED,  
16 DISSOLVED, INGESTED, INHALED OR CONSUMED BY ANY OTHER MEANS.

17 (b) DOES NOT INCLUDE TOBACCO PRODUCTS OR ANY PRODUCT REGULATED AS A  
18 DRUG OR DEVICE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION UNDER  
19 CHAPTER V OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

20 ~~3.~~ 4. "Beer":

21 (a) Means any beverage obtained by the alcoholic fermentation,  
22 infusion or decoction of barley malt, hops, rice, bran or other grain,  
23 glucose, sugar or molasses, or any combination of them, and may include,  
24 as adjuncts in fermentation, honey, fruit, fruit juice, fruit concentrate,  
25 herbs, spices and other food materials.

26 (b) Includes beer aged in an empty wooden barrel previously used to  
27 contain wine or distilled spirits and as such is not considered a dilution  
28 or mixture of any other spirituous liquor.

29 ~~4.~~ 5. "Biometric identity verification device" means a device  
30 authorized by the department that instantly verifies the identity and age  
31 of a person by an electronic scan of a biometric of the person, through a  
32 fingerprint, iris image, facial image or other biometric characteristic,  
33 or any combination of these characteristics, that references the person's  
34 identity and age against any record described in section 4-241, subsection  
35 K, and that meets all of the following conditions:

36 (a) The authenticity of the record was previously verified by an  
37 electronic authentication process.

38 (b) The identity of and information about the record holder was  
39 previously verified through either:

40 (i) A secondary, electronic authentication process or set of  
41 processes using commercially available data, such as a public records  
42 query or a knowledge-based authentication quiz.

43 (ii) Using a state or federal government system of records for  
44 digital authentication.

45 (c) The authenticated record was securely linked to biometrics  
46 contemporaneously collected from the verified record holder and is stored  
47 in a centralized, highly secured, encrypted biometric database.

48 ~~5.~~ 6. "Board" means the state liquor board.

49 ~~6.~~ 7. "Bona fide guest" means:

1 (a) An individual who is personally familiar to the member, who is  
2 personally sponsored by the member and whose presence as a guest is in  
3 response to a specific and personal invitation.

4 (b) In the case of a club that meets the criteria prescribed in  
5 paragraph ~~8~~ 9, subdivision (a) of this section, a current member of the  
6 armed services of the United States who presents proper military  
7 identification and any member of a recognized veterans' organization of  
8 the United States and of any country allied with the United States during  
9 current or past wars or through treaty arrangements.

10 ~~7~~ 8. "Broken package" means any container of spirituous liquor on  
11 which the United States tax seal has been broken or removed or from which  
12 the cap, cork or seal placed on the container by the manufacturer has been  
13 removed.

14 ~~8~~ 9. "Club" includes any of the following organizations where the  
15 sale of spirituous liquor for consumption on the premises is made only to  
16 members, spouses of members, families of members, bona fide guests of  
17 members and guests at other events authorized in this title:

18 (a) A post, chapter, camp or other local unit composed solely of  
19 veterans and its duly recognized auxiliary that has been chartered by the  
20 Congress of the United States for patriotic, fraternal or benevolent  
21 purposes and that has, as the owner, lessee or occupant, operated an  
22 establishment for that purpose in this state.

23 (b) A chapter, aerie, parlor, lodge or other local unit of an  
24 American national fraternal organization that has, as the owner, lessee or  
25 occupant, operated an establishment for fraternal purposes in this state.  
26 An American national fraternal organization as used in this subdivision  
27 shall actively operate in at least thirty-six states or have been in  
28 active continuous existence for at least twenty years.

29 (c) A hall or building association of a local unit mentioned in  
30 subdivisions (a) and (b) of this paragraph of which all of the capital  
31 stock is owned by the local unit or the members and that operates the  
32 clubroom facilities of the local unit.

33 (d) A golf club that has more than fifty bona fide members and that  
34 owns, maintains or operates a bona fide golf links together with a  
35 clubhouse.

36 (e) A social club that has more than one hundred bona fide members  
37 who are actual residents of the county in which it is located, that owns,  
38 maintains or operates club quarters, that is authorized and incorporated  
39 to operate as a nonprofit club under the laws of this state, and that has  
40 been continuously incorporated and operating for a period of at least one  
41 year. The club shall have had, during this one-year period, a bona fide  
42 membership with regular meetings conducted at least once each month, and  
43 the membership shall be and shall have been actively engaged in carrying  
44 out the objects of the club. The club's membership shall consist of bona  
45 fide dues-paying members paying dues of at least \$6 per year, payable  
46 monthly, quarterly or annually, which have been recorded by the secretary  
47 of the club, and the members at the time of application for a club license  
48 shall be in good standing having for at least one full year paid dues. At  
49 least fifty-one percent of the members shall have signified their  
50 intention to secure a social club license by personally signing a

1 petition, on a form prescribed by the board, which shall also include the  
2 correct mailing address of each signer. The petition shall not have been  
3 signed by a member at a date earlier than one hundred eighty days before  
4 the filing of the application. The club shall qualify for exemption from  
5 the payment of state income taxes under title 43. It is the intent of  
6 this subdivision that a license shall not be granted to a club that is, or  
7 has been, primarily formed or activated to obtain a license to sell  
8 liquor, but solely to a bona fide club, where the sale of liquor is  
9 incidental to the main purposes of the club.

10 (f) An airline club operated by or for airlines that are  
11 certificated by the United States government and that maintain or operate  
12 club quarters located at airports with international status.

13 ~~9.~~ 10. "Company" or "association", when used in reference to a  
14 corporation, includes successors or assigns.

15 ~~10.~~ 11. "Control" means the power to direct or cause the direction  
16 of the management and policies of an applicant or licensee, whether  
17 through the ownership of voting securities or a partnership interest, by  
18 agreement or otherwise. Control is presumed to exist if a person has the  
19 direct or indirect ownership of or power to vote ten percent or more of  
20 the outstanding voting securities of the applicant or licensee or to  
21 control in any manner the election of one or more of the directors of the  
22 applicant or licensee. In the case of a partnership, control is presumed  
23 to mean the general partner or a limited partner who holds ten percent or  
24 more of the voting rights of the partnership. For the purposes of  
25 determining the percentage of voting securities owned, controlled or held  
26 by a person, there shall be aggregated with the voting securities  
27 attributed to the person the voting securities of an officer, partner,  
28 employee or agent of the person or a spouse, parent or child of the  
29 person. Control is also presumed to exist if a creditor of the applicant  
30 or licensee holds a beneficial interest in ten percent or more of the  
31 liabilities of the licensee. The presumptions in this paragraph regarding  
32 control are rebuttable.

33 ~~11.~~ 12. "Controlling person" means a person directly or indirectly  
34 possessing control of an applicant or licensee.

35 ~~12.~~ 13. "Craft distiller" means a distiller in the United States  
36 or in a territory or possession of the United States that holds a license  
37 pursuant to section 4-205.10.

38 ~~13.~~ 14. "Craft producer" means a licensed farm winery, a licensed  
39 microbrewery or a licensed craft distiller.

40 ~~14.~~ 15. "Department" means the department of liquor licenses and  
41 control.

42 ~~15.~~ 16. "Director" means the director of the department of liquor  
43 licenses and control.

44 ~~16.~~ 17. "Distilled spirits" includes alcohol, brandy, whiskey,  
45 rum, tequila, mescal, gin, absinthe, a compound or mixture of any of them  
46 or of any of them with any vegetable or other substance, alcohol bitters,  
47 bitters containing alcohol, fruits preserved in ardent spirits, and any  
48 alcoholic mixture or preparation, whether patented or otherwise, that may  
49 in sufficient quantities produce intoxication.

1           ~~17.~~ 18. "Employee" means any person who performs any service on  
2 licensed premises on a full-time, part-time or contract basis with consent  
3 of the licensee, whether or not the person is denominated an employee or  
4 independent contractor or otherwise. Employee does not include a person  
5 who is exclusively on the premises for musical or vocal performances, for  
6 repair or maintenance of the premises or for the delivery of goods to the  
7 licensee.

8           ~~18.~~ 19. "Farm winery" means a winery in the United States or in a  
9 territory or possession of the United States that holds a license pursuant  
10 to section 4-205.04.

11           ~~19.~~ 20. "Government license" means a license to serve and sell  
12 spirituous liquor on specified premises available only to a state agency,  
13 state board, state commission, county, city, town, community college or  
14 state university or the national guard or Arizona coliseum and exposition  
15 center on application by the governing body of the state agency, state  
16 board, state commission, county, city, town, community college or state  
17 university or the national guard or Arizona exposition and state fair  
18 board.

19           ~~20.~~ 21. "Legal drinking age" means twenty-one years of age or  
20 older.

21           ~~21.~~ 22. "License" means a license or an interim retail permit  
22 issued pursuant to this title.

23           ~~22.~~ 23. "Licensee" means a person who has been issued a license or  
24 an interim retail permit pursuant to this title or a special event  
25 licensee.

26           ~~23.~~ 24. "License fees" means fees collected for license issuance,  
27 license application, license renewal, interim permit issuance and license  
28 transfer between persons or locations.

29           ~~24.~~ 25. "Manager" means a natural person who meets the standards  
30 required of licensees and who has authority to organize, direct, carry on,  
31 control or otherwise operate a licensed business on a temporary or  
32 full-time basis.

33           ~~25.~~ 26. "Menu food item" means a food item from a regular menu,  
34 special menu or happy hour menu that is prepared by the licensee or the  
35 licensee's employee.

36           ~~26.~~ 27. "Microbrewery" means a brewery in the United States or in  
37 a territory or possession of the United States that meets the requirements  
38 of section 4-205.08.

39           ~~27.~~ 28. "Mixed cocktail":

40           (a) Means any drink combined at the premises of an authorized  
41 licensee that contains a spirituous liquor and that is combined with at  
42 least one other ingredient, which may include additional spirituous  
43 liquors, fruit juice, vegetable juice, mixers, cream, flavored syrup or  
44 other ingredients except water, and that when combined contains more than  
45 one-half of one percent of alcohol by volume.

46           (b) Does not include a drink sold in an original manufacturer's  
47 packaging or any drink poured from an original manufacturer's package  
48 without the addition of all of the cocktail's other ingredients at the  
49 premises of the licensed bar, liquor store or restaurant.

1           29. "NICOTINE":

2           (a) MEANS THE CHEMICAL SUBSTANCE NAMED 3-(1-METHYL-2-PYRROLIDINYL)  
3 PYRIDINE OR C(10)H(14)N(2).

4           (b) INCLUDES ANY SALT OR COMPLEX OF NICOTINE DERIVED FROM ANY  
5 SOURCE.

6           ~~28.~~ 30. "Off-sale retailer" means any person that operates a bona  
7 fide regularly established retail liquor store that sells spirituous  
8 liquors, wines and beer and any established retail store that sells  
9 commodities other than spirituous liquors and that is engaged in the sale  
10 of spirituous liquors only in the original unbroken package, to be taken  
11 away from the premises of the retailer and to be consumed off the  
12 premises.

13           ~~29.~~ 31. "On-sale retailer" means any person operating an  
14 establishment where spirituous liquors are sold in the original container  
15 for consumption on or off the premises or in individual portions for  
16 consumption on the premises.

17           ~~30.~~ 32. "Permanent occupancy" means the maximum occupancy of the  
18 building or facility as set by the office of the state fire marshal for  
19 the jurisdiction in which the building or facility is located.

20           ~~31.~~ 33. "Person" includes a partnership, limited liability  
21 company, association, company or corporation, as well as a natural person.

22           ~~32.~~ 34. "Premises" or "licensed premises":

23           (a) Means the area from which the licensee is authorized to sell,  
24 dispense or serve spirituous liquors under the provision of the license.

25           (b) Includes a patio that is not contiguous to the remainder of the  
26 premises or licensed premises if the patio is separated from the remainder  
27 of the premises or licensed premises by a public or private walkway or  
28 driveway not to exceed thirty feet, subject to rules the director may  
29 adopt to establish criteria for noncontiguous premises.

30           ~~33.~~ 35. "Registered alcohol delivery contractor":

31           (a) Means a person who delivers spirituous liquor to a consumer on  
32 behalf of a bar, beer and wine bar, liquor store, beer and wine store or  
33 restaurant.

34           (b) Does not include:

35           (i) A motor carrier as defined in section 28-5201.

36           (ii) An independent contractor, a subcontractor of an independent  
37 contractor, an employee of an independent contractor or an employee of a  
38 subcontractor as provided in section 4-203, subsection J.

39           ~~34.~~ 36. "Registered mail" includes certified mail.

40           ~~35.~~ 37. "Registered retail agent" means any person who is  
41 authorized pursuant to section 4-222 to purchase spirituous liquors for  
42 and on behalf of the person and other retail licensees.

43           ~~36.~~ 38. "Repeated acts of violence" means:

44           (a) For licensed premises with a permanent occupancy of two hundred  
45 or fewer persons, two or more acts of violence occurring within seven days  
46 or three or more acts of violence occurring within thirty days.

47           (b) For licensed premises with a permanent occupancy of more than  
48 two hundred but not more than four hundred persons, four or more acts of  
49 violence within thirty days.

1 (c) For licensed premises with a permanent occupancy of more than  
2 four hundred but not more than six hundred fifty persons, five or more  
3 acts of violence within thirty days.

4 (d) For licensed premises with a permanent occupancy of more than  
5 six hundred fifty but not more than one thousand fifty persons, six or  
6 more acts of violence within thirty days.

7 (e) For licensed premises with a permanent occupancy of more than  
8 one thousand fifty persons, seven or more acts of violence within thirty  
9 days.

10 [39. "RETAILER OF ALTERNATIVE NICOTINE PRODUCTS" MEANS A PERSON  
11 THAT OPERATES AN ESTABLISHMENT WHERE ALTERNATIVE NICOTINE PRODUCTS ARE  
12 SOLD IN THE ORIGINAL PACKAGING OR CONTAINER AND ARE FOR HUMAN  
13 CONSUMPTION.]

14 ~~37.~~ [39.] [40.] "Sell" includes soliciting or receiving an order  
15 for, keeping or exposing for sale, directly or indirectly delivering for  
16 value, peddling, keeping with intent to sell and trafficking in.

17 ~~38.~~ [40.] [41.] "Spirituous liquor" includes alcohol, brandy,  
18 whiskey, rum, tequila, mescal, gin, wine, porter, ale, beer, any malt  
19 liquor or malt beverage, absinthe, a compound or mixture of any of them or  
20 of any of them with any vegetable or other substance, alcohol bitters,  
21 bitters containing alcohol, any liquid mixture or preparation, whether  
22 patented or otherwise, that produces intoxication, fruits preserved in  
23 ardent spirits, and beverages containing more than one-half of one percent  
24 of alcohol by volume.

25 ~~39.~~ [41.] [42.] "Tamperproof sealed" means designed to prevent  
26 consumption without the removal of a tamperproof cap, seal, cork or  
27 closure that has a device, mechanism or adhesive that clearly shows  
28 whether a container has been opened.

29 ~~40.~~ [42.] [43.] "Vehicle" means any means of transportation by  
30 land, water or air, and includes everything made use of in any way for  
31 such transportation.

32 ~~41.~~ [43.] [44.] "Vending machine" means a machine that dispenses  
33 merchandise through the means of coin, token, credit card or other  
34 nonpersonal means of accepting payment for merchandise received.

35 ~~42.~~ [44.] [45.] "Veteran" means a person who has served in the  
36 United States air force, army, navy, marine corps or coast guard, as an  
37 active nurse in the services of the American red cross, in the army and  
38 navy nurse corps in time of war, or in any expedition of the armed forces  
39 of the United States, and who has received a discharge other than  
40 dishonorable.

41 ~~43.~~ [45.] [46.] "Voting security" means any security presently  
42 entitling the owner or holder of the security to vote for the election of  
43 directors of an applicant or a licensee.

1       ~~44.~~ ~~[46.]~~ ~~[47.]~~ "Wine" means the product obtained by the  
2 fermentation of grapes, other agricultural products containing natural or  
3 added sugar or cider or any such alcoholic beverage fortified with grape  
4 brandy and containing not more than twenty-four percent of alcohol by  
5 volume.

6       Sec. 3. Section 4-112, Arizona Revised Statutes, is amended to  
7 read:

8       4-112. Powers and duties of board and director of department  
9           of liquor licenses and control; investigations;  
10           county and municipal regulation; definition

11       A. The board shall:

12       1. Grant and deny applications in accordance with ~~the provisions of~~  
13 this title.

14       2. Adopt rules in order to carry out ~~the provisions of~~ this  
15 section.

16       3. Hear appeals and hold hearings as provided in this section.

17       B. Except as provided in subsection A of this section, the director  
18 shall administer ~~the provisions of~~ this title; ~~including~~ AND SHALL DO THE  
19 FOLLOWING:

20       1. ~~Adopting~~ ADOPT rules:

21       (a) ~~For carrying TO CARRY~~ out ~~the provisions of~~ this title.

22       (b) ~~For the proper TO PROPERLY~~ conduct ~~of~~ the business to be  
23 carried on under each specific type of spirituous liquor license.

24       (c) To enable and assist state officials and political subdivisions  
25 to collect taxes levied or imposed in connection with spirituous liquors.

26       (d) ~~For the issuance TO ISSUE~~ and ~~revocation of~~ REVOKE certificates  
27 of registration of retail agents, including provisions governing the  
28 shipping, storage and delivery of spirituous liquors by registered retail  
29 agents, the keeping of records and the filing of reports by registered  
30 retail agents.

31       (e) To establish requirements for licensees under section 4-209,  
32 subsection B, paragraph 12.

33       2. Subject to title 41, chapter 4, article 4, ~~employing~~ EMPLOY  
34 necessary personnel and ~~fixing~~ FIX their compensation pursuant to section  
35 38-611.

36       3. ~~Keeping~~ KEEP an index record that is a public record open to  
37 public inspection and that contains the name and address of each licensee  
38 and the name and address of any person having an interest, either legal or  
39 equitable, in each license as shown by any written document that is placed  
40 on file in the office of the board.

41       4. ~~Providing~~ PROVIDE the board with supplies and personnel as  
42 directed by the board.

43       5. ~~Responding~~ RESPOND in writing to any law enforcement agency that  
44 submits an investigative report to the department relating to a violation  
45 of this title, setting forth what action, if any, the department has taken  
46 or intends to take on the report and, if the report lacks sufficient  
47 information or is otherwise defective for use by the department, what the  
48 agency must do to remedy the report.

1           6. ~~Taking~~ TAKE steps that are necessary to maintain effective  
2 liaison with the department of public safety and all local law enforcement  
3 agencies ~~in the enforcement of~~ TO ENFORCE this title, including the laws  
4 of this state against the consumption of spirituous liquor by persons  
5 under the legal drinking age OR THE SALE OR POSSESSION OF ALTERNATIVE  
6 NICOTINE PRODUCTS BY PERSONS UNDER TWENTY-ONE YEARS OF AGE.

7           7. ~~Providing~~ PROVIDE training to law enforcement agencies in ~~the~~  
8 ~~proper investigation~~ PROPER INVESTIGATION and reporting ~~of~~ violations of  
9 this title.

10           C. The director shall establish within the department a separate  
11 investigations unit ~~that has as its~~ WHOSE sole responsibility ~~the~~  
12 ~~investigation of~~ IS INVESTIGATING compliance with this title, including  
13 ~~the investigation of~~ INVESTIGATING licensees alleged to have sold or  
14 distributed spirituous liquor in any form to persons under the legal  
15 drinking age OR HAVE SOLD OR DISTRIBUTED ALTERNATIVE NICOTINE PRODUCTS TO  
16 A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE. Investigations conducted by  
17 this unit may include covert undercover investigations.

18           D. All employees of the department of liquor licenses and control,  
19 except members of the state liquor board and the director of the  
20 department, shall be employed by the department in the manner prescribed  
21 by the department of administration.

22           E. The director may enter into a contract or agreement with any  
23 public agency for any joint or cooperative action as provided for by title  
24 11, chapter 7, article 3.

25           F. The board or the director may take evidence, administer oaths or  
26 affirmations, issue subpoenas requiring attendance and testimony of  
27 witnesses, cause depositions to be taken and require by subpoena duces  
28 tecum the production of books, papers and other documents that are  
29 necessary ~~for the enforcement of~~ TO ENFORCE this title. Proceedings held  
30 during the course of a confidential investigation are exempt from title  
31 38, chapter 3, article 3.1. If a person refuses to obey a subpoena or  
32 fails to answer questions ~~as~~ provided by this subsection, the board or the  
33 director may apply to the superior court in the manner provided in section  
34 12-2212. The board or director may serve subpoenas by personal service or  
35 certified mail, return receipt requested.

36           G. The director may:

37           1. Examine books, records and papers of a licensee.

38           2. Require applicants, licensees, employees who serve, sell or  
39 furnish spirituous liquors to retail customers, managers and managing  
40 agents to take training courses approved by the director in spirituous  
41 liquor handling and spirituous liquor laws and rules. The director shall  
42 adopt rules that set standards for approving training courses. The  
43 director may suspend or revoke the previous approval of trainers who do  
44 not adhere to course administration requirements prescribed by the  
45 department or who do not meet course standards. If the director suspends  
46 or revokes the previous approval of a trainer pursuant to this paragraph,  
47 the trainer may appeal to the board pursuant to section 4-210.02 as if the  
48 suspension or revocation was a sanction against a licensee. ~~After~~  
49 ~~January 1, 2019~~, The rules for on-sale retailer basic training and on-sale  
50 retailer management training shall include security procedures for

1 security personnel assigned to monitor admission of patrons, interaction  
2 with patrons, calls to law enforcement and strategies for use of force and  
3 for the use of de-escalation techniques. If the retailer uses a  
4 registered security guard, the retailer shall attempt to verify the  
5 validity and status of the security guard's registration certificate. The  
6 department's licensed investigators may participate and receive  
7 compensation as lecturers at approved training courses within this state's  
8 jurisdiction that are conducted by other entities but shall not  
9 participate in in-house training programs for licensees.

10 3. Delegate to employees of the department authority to exercise  
11 powers of the director in order to administer the department.

12 4. Regulate signs that advertise a spirituous liquor product at  
13 licensed retail premises.

14 5. Cause to be removed from the marketplace spirituous liquor **OR**  
15 **ALTERNATIVE NICOTINE PRODUCTS** that may be contaminated.

16 6. Regulate the age and conduct of erotic entertainers at licensed  
17 premises. The age limitation governing these erotic entertainers may be  
18 different from other employees of the licensee.

19 7. Issue and enforce cease and desist orders against any person or  
20 entity that sells beer, wine, ~~or~~ spirituous liquor **{{OR ALTERNATIVE**  
21 **NICOTINE PRODUCTS}}** without an appropriate license or permit.

22 8. Confiscate wines carrying a label including a reference to  
23 Arizona or any Arizona city, town or place unless at least seventy-five  
24 percent by volume of the grapes used in making the wine were grown in this  
25 state.

26 9. Accept and expend private grants of monies, gifts and devises  
27 for conducting educational programs for parents and students on the  
28 repercussions of underage alcohol consumption **OR THE SALE{{(. USE)}} OR**  
29 **POSSESSION OF ALTERNATIVE NICOTINE PRODUCTS BY A PERSON WHO IS UNDER**  
30 **TWENTY-ONE YEARS OF AGE.** State general fund monies shall not be expended  
31 for the purposes of this paragraph. If the director does not receive  
32 sufficient monies from private sources to carry out the purposes of this  
33 paragraph, the director shall not provide the educational programs  
34 prescribed in this paragraph. Grant monies received pursuant to this  
35 paragraph are nonlapsing and do not revert to the state general fund at  
36 the close of the fiscal year.

37 10. Procure fingerprint scanning equipment and provide fingerprint  
38 services to license applicants and licensees. The department may charge a  
39 fee for providing these services.

40 11. Accept electronic signatures on all department and licensee  
41 forms and documents and applications. The director may adopt requirements  
42 that would require facsimile signatures to be followed by original  
43 signatures within a specified time period.

44 12. ~~For use after January 1, 2019,~~ Adopt a form that is required to  
45 be used by all on-sale retailers that hire or designate employees to serve  
46 as security personnel. All security personnel job applicants and  
47 employees for on-sale retailers shall complete the form, which shall be  
48 notarized, before assignment to a security role. The form shall require  
49 the applicant or other person to disclose whether in the previous five  
50 years the person has been a registered sex offender or pled guilty **TO,**

1 pled no contest TO or been convicted of any offense that constitutes  
2 assault, homicide, domestic violence, sexual misconduct, misconduct  
3 involving a deadly weapon or a drug violation that constitutes the illegal  
4 sale, manufacturing, cultivation or transportation for sale of marijuana,  
5 a dangerous drug or a narcotic drug. A licensee may not hire or assign to  
6 a role as security personnel any person who fails to complete the form or  
7 ~~if the~~ WHOSE form discloses one of the listed offenses within the previous  
8 five years. The licensee shall maintain on file affidavits of all  
9 security personnel hired or designated by the licensee. The form may not  
10 be required for a peace officer who is certified by the Arizona peace  
11 officer standards and training board or other security personnel who hold  
12 a current security guard registration certificate or armed security guard  
13 registration certificate issued pursuant to title 32, chapter 26.

14 {{13. ISSUE AND ENFORCE CEASE AND DESIST ORDERS AGAINST ANY PERSON  
15 OR ENTITY THAT DISTRIBUTES OR MANUFACTURES ALTERNATIVE NICOTINE PRODUCTS  
16 WITHOUT AN APPROPRIATE LICENSE THAT IS ISSUED PURSUANT TO CHAPTER 4 OF  
17 THIS TITLE.}}

18 H. A county or municipality may enact and enforce ordinances  
19 regulating the age and conduct of erotic entertainers at licensed premises  
20 in a manner at least as restrictive as rules adopted by the director.

21 I. For the purposes of this section, "security personnel":

22 1. Includes individuals whose primary assigned responsibilities  
23 include the security and safety of employees and patrons of an on-sale  
24 retailer premises. ~~Security personnel~~

25 2. Does not include a person whose primary responsibilities include  
26 checking the identification cards of patrons to determine compliance with  
27 age requirements.

28 Sec. 4. Section 4-118, Arizona Revised Statutes, is amended to  
29 read:

30 4-118. Inspection of premises

31 The director, the director's agents and any peace officer ~~may~~, in  
32 enforcing ~~the provisions of~~ this title, MAY visit during the hours in  
33 which the premises are occupied and inspect the premises of a licensee OR  
34 AN ALTERNATIVE NICOTINE PRODUCTS LICENSEE.

35 ~~Sec. 5. Section 4-120, Arizona Revised Statutes, is amended to~~  
36 read:

37 4-120. Liquor licenses fund; exemption

38 A. The liquor licenses fund is established consisting of monies  
39 deposited pursuant to sections 4-115~~{{.}}~~ ~~{{and}}~~ 4-116.01~~{{. 4-401 AND~~  
40 ~~4-402}}~~. The department of liquor licenses and control shall administer  
41 the fund. The amount deposited in the fund each year shall not exceed the  
42 amount appropriated by the legislature.

43 B. Monies in the fund are subject to legislative appropriation.

44 C. Monies in the fund are exempt from the provisions of section  
45 35-190 relating to lapsing of appropriations, except that any monies  
46 remaining in the fund in excess of ~~{{seven hundred thousand dollars}}~~  
47 ~~{{\$700,000}}~~ at the end of each fiscal year revert to the state general  
48 fund.~~>>~~

1           Sec. 6. Section 4-205.02, Arizona Revised Statutes, is amended to  
2 read:

3           4-205.02. Restaurant license; issuance; regulatory  
4                           provisions; expiration; off-sale leases and  
5                           permits; fee; definitions

6           A. The director may issue a restaurant license to any restaurant in  
7 this state that is regularly open for serving food to guests for  
8 compensation and that has suitable kitchen facilities connected with the  
9 restaurant for keeping, cooking and preparing foods required for ordinary  
10 meals.

11          B. The director shall issue the license in the name of the  
12 restaurant on application for the license by the owner or lessee of the  
13 restaurant, if the applicant is otherwise qualified to hold a spirituous  
14 liquor license. The holder of such a license is subject to the penalties  
15 prescribed for any violation of the law relating to alcoholic beverages.

16          C. The holder of a restaurant license may sell and serve spirituous  
17 liquors solely for consumption on the licensed premises. For the purpose  
18 of this subsection, "licensed premises" may include rooms, areas or  
19 locations in which the restaurant normally sells or serves spirituous  
20 liquors pursuant to regular operating procedures and practices and that  
21 are contiguous to the restaurant or a noncontiguous patio pursuant to  
22 section 4-101, paragraph ~~32~~ 34. For the purposes of this subsection, a  
23 restaurant licensee must submit proof of tenancy or permission from the  
24 landowner or lessor for all property to be included in the licensed  
25 premises.

26          D. In addition to other grounds prescribed in this title on which a  
27 license may be revoked, the director may require the holder of a  
28 restaurant license issued pursuant to this section to surrender the  
29 license in any case in which the licensee ceases to operate as a  
30 restaurant, as prescribed in subsection A of this section. The surrender  
31 of a license pursuant to this subsection does not prevent the director  
32 from revoking the license for other grounds prescribed in this title or  
33 for making deliberate material misrepresentations to the department  
34 regarding the licensee's equipment, service or entertainment items or  
35 seating capacity in applying for the restaurant license.

36          E. Neither the director nor the board may initially issue a  
37 restaurant license if either finds that there is sufficient evidence that  
38 the operation will not satisfy the criteria adopted by the director for  
39 issuing a restaurant license described in section 4-209, subsection B,  
40 paragraph 12. The director shall issue a restaurant license only if the  
41 applicant has submitted a plan for the operation of the restaurant. The  
42 plan shall be completed on forms provided by the department and shall  
43 include listings of all restaurant equipment and service items, the  
44 restaurant seating capacity and other information requested by the  
45 department to substantiate that the restaurant will operate in compliance  
46 with this section.

47          F. The holder of the license described in section 4-209, subsection  
48 B, paragraph 12 who intends to alter the seating capacity or dimensions of  
49 a restaurant facility shall notify the department in advance on forms  
50 provided by the department.

1 G. The director may charge a fee for site inspections conducted  
2 before the issuance of a restaurant license.

3 H. A restaurant applicant or licensee may apply for a permit  
4 allowing for the sale of beer for consumption off the licensed premises  
5 pursuant to section 4-244, paragraph 32, subdivision (c) on a form  
6 prescribed and furnished by the director. The department shall not issue  
7 a permit to a restaurant applicant or licensee that does not meet the  
8 requirements in section 4-207, subsection A. Section 4-207, subsection B  
9 does not apply to this subsection. The permit shall be issued only after  
10 the director has determined that the public convenience requires and that  
11 the best interest of the community will be substantially served by the  
12 issuance of the permit, considering the same criteria adopted by the  
13 director for issuing a restaurant license described in section 4-209,  
14 subsection B, paragraph 12. The amount of beer sold under the permit  
15 shall not exceed ten percent of gross revenue of spirituous liquor sold by  
16 the establishment. After the permit has been issued, the permit shall be  
17 noted on the license itself and in the records of the department. The  
18 director may charge a fee for processing the application for the permit  
19 and a renewal fee.

20 I. Notwithstanding any rule adopted by the department, business  
21 establishments that relied on a form issued by the department that  
22 provides for a small restaurant exemption for fifty or fewer seats before  
23 January 31, 2019 are allowed to continue to maintain the capacity of fifty  
24 or fewer seats for the duration of the business. The rights of a business  
25 establishment subject to this section are not transferable.

26 J. Notwithstanding section 4-203, subsection E, section 4-207 and  
27 section 4-210, subsection A, paragraph 6, through December 31, 2025, a  
28 restaurant applicant or licensee may apply to the department for a lease  
29 for the privilege of selling mixed cocktails for consumption off the  
30 licensed premises pursuant to ~~section 4-203.06 and~~ section 4-244,  
31 paragraph 32, subdivision (d).

32 K. Notwithstanding section 4-207, beginning January 1, 2026, a  
33 restaurant applicant or licensee may apply for a permit to allow the sale  
34 of mixed cocktails for consumption off the licensed premises pursuant to  
35 section 4-203.07 and section 4-244, paragraph 32, subdivision (d), on a  
36 form prescribed and furnished by the director. The sale of mixed  
37 cocktails for consumption off the licensed premises must be accompanied by  
38 the sale of menu food items for consumption on or off the licensed  
39 premises. The department shall issue the permit only after the director  
40 has determined that the public convenience requires and that the best  
41 interest of the community will be substantially served by issuing the  
42 permit. All permit holders and their employees, managers and agents must  
43 complete alcohol training pursuant to section 4-112, subsection G,  
44 paragraph 2. After the department issues the permit, the permit shall be  
45 noted on the license itself and in the records of the department. The  
46 director may establish and charge a fee for processing the permit  
47 application and a renewal fee.

48 L. A restaurant licensee shall cease selling spirituous liquor,  
49 including mixed cocktails, for off-premises consumption when the licensee  
50 ceases regular kitchen service for food.

1 M. For the purposes of this section:

2 1. "Gross revenue":

3 (a) Means the revenue derived from all sales of food and spirituous  
4 liquor on the licensed premises, regardless of whether the sales of  
5 spirituous liquor are made under a restaurant license issued pursuant to  
6 this section or under any other license that has been issued for the  
7 premises pursuant to this article.

8 (b) Includes revenue derived from spirituous liquor sold for  
9 off-sale consumption.

10 2. "Restaurant" means an establishment that derives at least forty  
11 percent of its gross revenue from the sale of food, including sales of  
12 food for consumption off the licensed premises if the amount of these  
13 sales included in the calculation of gross revenue from the sale of food  
14 does not exceed fifteen percent of all gross revenue of the restaurant.

15 Sec. 7. Section 4-244, Arizona Revised Statutes, is amended to  
16 read:

17 4-244. Unlawful acts; definition

18 It is unlawful:

19 1. For a person to buy for resale, sell or deal in spirituous  
20 liquors in this state without first having procured a license duly issued  
21 by the board, except that the director may issue a temporary permit of any  
22 series pursuant to section 4-205.05 to a trustee in bankruptcy to acquire  
23 and dispose of the spirituous liquor of a debtor.

24 2. For a person to sell or deal in alcohol for beverage purposes  
25 without first complying with this title.

26 3. For a distiller, vintner, brewer or wholesaler knowingly to  
27 sell, dispose of or give spirituous liquor to any person other than a  
28 licensee except in sampling wares as may be necessary in the ordinary  
29 course of business, except in donating spirituous liquor to a nonprofit  
30 organization that has obtained a special event license for the purpose of  
31 charitable fundraising activities or except in donating spirituous liquor  
32 with a cost to the distiller, brewer or wholesaler of up to \$500 in a  
33 calendar year to an organization that is exempt from federal income taxes  
34 under section 501(c) (3), (4), (6) or (7) of the internal revenue code and  
35 not licensed under this title.

36 4. For a distiller, vintner or brewer to require a wholesaler to  
37 offer or grant a discount to a retailer, unless the discount has also been  
38 offered and granted to the wholesaler by the distiller, vintner or brewer.

39 5. For a distiller, vintner or brewer to use a vehicle for trucking  
40 or transporting spirituous liquors unless there is affixed to both sides  
41 of the vehicle a sign showing the name and address of the licensee and the  
42 type and number of the person's license in letters not less than three and  
43 one-half inches in height.

44 6. For a person to take or solicit orders for spirituous liquors  
45 unless the person is a salesman or solicitor of a licensed wholesaler, a  
46 salesman or solicitor of a distiller, brewer, vintner, importer or broker  
47 or a registered retail agent.

48 7. For any retail licensee to purchase spirituous liquors from any  
49 person other than a solicitor or salesman of a wholesaler licensed in this  
50 state.

1           8. For a retailer to acquire an interest in property owned,  
2 occupied or used by a wholesaler in the wholesaler's business, or in a  
3 license with respect to the premises of the wholesaler.

4           9. Except as provided in paragraphs 10 and 11 of this section, for  
5 a licensee or other person to sell, furnish, dispose of or give, or cause  
6 to be sold, furnished, disposed of or given, to a person under the legal  
7 drinking age or for a person under the legal drinking age to buy, receive,  
8 have in the person's possession or consume spirituous liquor. This  
9 paragraph does not prohibit the employment by an off-sale retailer of  
10 persons who are at least sixteen years of age to check out, if supervised  
11 by a person on the premises who is at least eighteen years of age, package  
12 or carry merchandise, including spirituous liquor, in unbroken packages,  
13 for the convenience of the customer of the employer, if the employer sells  
14 primarily merchandise other than spirituous liquor.

15           10. For a licensee to employ a person under eighteen years of age  
16 to manufacture, sell or dispose of spirituous liquors. This paragraph  
17 does not prohibit the employment by an off-sale retailer of persons who  
18 are at least sixteen years of age to check out, if supervised by a person  
19 on the premises who is at least eighteen years of age, package or carry  
20 merchandise, including spirituous liquor, in unbroken packages, for the  
21 convenience of the customer of the employer, if the employer sells  
22 primarily merchandise other than spirituous liquor.

23           11. For an on-sale retailer to employ a person under eighteen years  
24 of age in any capacity connected with the handling of spirituous liquors.  
25 This paragraph does not prohibit the employment by an on-sale retailer of  
26 a person under eighteen years of age who cleans up the tables on the  
27 premises for reuse, removes dirty dishes, keeps a ready supply of needed  
28 items and helps clean up the premises.

29           12. For a licensee, when engaged in waiting on or serving  
30 customers, to consume spirituous liquor or for a licensee or on-duty  
31 employee to be on or about the licensed premises while in an intoxicated  
32 or disorderly condition.

33           13. For an employee of a retail licensee, during that employee's  
34 working hours or in connection with such employment, to give to or  
35 purchase for any other person, accept a gift of, purchase for the employee  
36 or consume spirituous liquor, except that:

37           (a) An employee of a licensee, during that employee's working hours  
38 or in connection with the employment, while the employee is not engaged in  
39 waiting on or serving customers, may give spirituous liquor to or purchase  
40 spirituous liquor for any other person.

41           (b) An employee of an on-sale retail licensee, during that  
42 employee's working hours or in connection with the employment, while the  
43 employee is not engaged in waiting on or serving customers, may taste  
44 samples of beer or wine of not more than four ounces per day or distilled  
45 spirits of not more than two ounces per day provided by an employee of a  
46 wholesaler or distributor who is present at the time of the sampling.

47           (c) An employee of an on-sale retail licensee, under the  
48 supervision of a manager as part of the employee's training and education,  
49 while not engaged in waiting on or serving customers may taste samples of  
50 distilled spirits of not more than two ounces per educational session or

1 beer or wine of not more than four ounces per educational session, and  
2 provided that a licensee does not have more than two educational sessions  
3 in any thirty-day period.

4 (d) An unpaid volunteer who is a bona fide member of a club and who  
5 is not engaged in waiting on or serving spirituous liquor to customers may  
6 purchase for himself and consume spirituous liquor while participating in  
7 a scheduled event at the club. An unpaid participant in a food  
8 competition may purchase for himself and consume spirituous liquor while  
9 participating in the food competition.

10 (e) An unpaid volunteer of a special event licensee under section  
11 4-203.02 may purchase and consume spirituous liquor while not engaged in  
12 waiting on or serving spirituous liquor to customers at the special event.  
13 This subdivision does not apply to an unpaid volunteer whose  
14 responsibilities include verification of a person's legal drinking age,  
15 security or the operation of any vehicle or heavy machinery.

16 (f) A representative of a producer or wholesaler participating at a  
17 special event under section 4-203.02 may consume small amounts of the  
18 products of the producer or wholesaler on the premises of the special  
19 event for the purpose of quality control.

20 14. For a licensee or other person to serve, sell or furnish  
21 spirituous liquor to a disorderly or obviously intoxicated person, or for  
22 a licensee or employee of the licensee to allow a disorderly or obviously  
23 intoxicated person to come into or remain on or about the premises, except  
24 that a licensee or an employee of the licensee may allow an obviously  
25 intoxicated person to remain on the premises for not more than thirty  
26 minutes after the state of obvious intoxication is known or should be  
27 known to the licensee for a nonintoxicated person to transport the  
28 obviously intoxicated person from the premises. For the purposes of this  
29 section, "obviously intoxicated" means inebriated to the extent that a  
30 person's physical faculties are substantially impaired and the impairment  
31 is shown by significantly uncoordinated physical action or significant  
32 physical dysfunction that would have been obvious to a reasonable person.

33 15. For an on-sale or off-sale retailer or an employee of such  
34 retailer or an alcohol delivery contractor to sell, dispose of, deliver or  
35 give spirituous liquor to a person between the hours of 2:00 a.m. and  
36 6:00 a.m., except that:

37 (a) A retailer with off-sale privileges may receive and process  
38 orders, accept payment or package, load or otherwise prepare spirituous  
39 liquor for delivery at any time, if the actual deliveries to customers are  
40 made between the hours of 6:00 a.m. and 2:00 a.m., at which time section  
41 4-241, subsections A and K apply.

42 (b) The governor, in consultation with the governor's office of  
43 highway safety and the public safety community in this state, may issue an  
44 executive order that extends the closing time until 3:00 a.m. for  
45 spirituous liquor sales in connection with a professional or collegiate  
46 national sporting championship event held in this state.

47 16. For a licensee or employee to knowingly allow any person on or  
48 about the licensed premises to give or furnish any spirituous liquor to  
49 any person under twenty-one years of age or knowingly allow any person

1 under twenty-one years of age to have in the person's possession  
2 spirituous liquor on the licensed premises.

3 17. For an on-sale retailer or an employee of such retailer to  
4 allow a person to consume or possess spirituous liquors on the premises  
5 between the hours of 2:30 a.m. and 6:00 a.m., except that if the governor  
6 extends the closing time for a day for spirituous liquor sales pursuant to  
7 paragraph 15 of this section it is unlawful for an on-sale retailer or an  
8 employee of such retailer on that day to allow a person to consume or  
9 possess spirituous liquor on the premises between the hours of 3:30 a.m.  
10 and 6:00 a.m.

11 18. For an on-sale retailer to allow an employee or for an employee  
12 to solicit or encourage others, directly or indirectly, to buy the  
13 employee drinks or anything of value in the licensed premises during the  
14 employee's working hours. An on-sale retailer shall not serve employees  
15 or allow a patron of the establishment to give spirituous liquor to,  
16 purchase liquor for or drink liquor with any employee during the  
17 employee's working hours.

18 19. For an off-sale retailer or employee to sell spirituous liquor  
19 except in the original unbroken container, to allow spirituous liquor to  
20 be consumed on the premises or to knowingly allow spirituous liquor to be  
21 consumed on adjacent property under the licensee's exclusive control.

22 20. For a person to consume spirituous liquor in a public place,  
23 thoroughfare or gathering. The license of a licensee allowing a violation  
24 of this paragraph on the premises shall be subject to revocation. This  
25 paragraph does not apply to the sale of spirituous liquors on the premises  
26 of and by an on-sale retailer. This paragraph also does not apply to a  
27 person consuming beer or wine from a broken package in a public recreation  
28 area or on private property with permission of the owner or lessor or on  
29 the walkways surrounding such private property or to a person consuming  
30 beer or wine from a broken package in a public recreation area as part of  
31 a special event or festival that is conducted under a license secured  
32 pursuant to section 4-203.02 or 4-203.03.

33 21. For a person to possess or to transport spirituous liquor that  
34 is manufactured in a distillery, winery, brewery or rectifying plant  
35 contrary to the laws of the United States and this state. Any property  
36 used in transporting such spirituous liquor shall be forfeited to ~~the~~ THIS  
37 state and shall be seized and disposed of as provided in section 4-221.

38 22. For an on-sale retailer or employee to allow a person under the  
39 legal drinking age to remain in an area on the licensed premises during  
40 those hours in which its primary use is the sale, dispensing or  
41 consumption of alcoholic beverages after the licensee, or the licensee's  
42 employees, know or should have known that the person is under the legal  
43 drinking age. An on-sale retailer may designate an area of the licensed  
44 premises as an area in which spirituous liquor will not be sold or  
45 consumed ~~for the purpose of allowing~~ TO ALLOW underage persons on the  
46 premises if the designated area is separated by a physical barrier and at  
47 no time will underage persons have access to the area in which spirituous  
48 liquor is sold or consumed. A licensee or an employee of a licensee may  
49 require a person who intends to enter a licensed premises or a portion of  
50 a licensed premises where persons under the legal drinking age are

1 prohibited under this section to exhibit an instrument of identification  
2 that is acceptable under section 4-241 as a condition of entry or may use  
3 a biometric identity verification device to determine the person's age as  
4 a condition of entry. The director, or a municipality, may adopt rules to  
5 regulate the presence of underage persons on licensed premises provided  
6 the rules adopted by a municipality are more stringent than those adopted  
7 by the director. The rules adopted by the municipality shall be adopted  
8 by local ordinance and shall not interfere with the licensee's ability to  
9 comply with this paragraph. This paragraph does not apply:

10 (a) If the person under the legal drinking age is accompanied by a  
11 spouse, parent, grandparent or legal guardian of legal drinking age or is  
12 an on-duty employee of the licensee.

13 (b) If the owner, lessee or occupant of the premises is a club as  
14 defined in section 4-101, paragraph ~~8~~ 9, subdivision (a) and the person  
15 under the legal drinking age is any of the following:

16 (i) An active duty military service member.

17 (ii) A veteran.

18 (iii) A member of the United States army national guard or the  
19 United States air national guard.

20 (iv) A member of the United States military reserve forces.

21 (c) To the area of the premises used primarily for serving food  
22 during the hours when food is served.

23 23. For an on-sale retailer or employee to conduct drinking  
24 contests, to sell or deliver to a person an unlimited number of spirituous  
25 liquor beverages during any set period of time for a fixed price, to  
26 deliver more than fifty ounces of beer, one liter of wine or four ounces  
27 of distilled spirits in any spirituous liquor drink to one person at one  
28 time for that person's consumption or to advertise any practice prohibited  
29 by this paragraph. This paragraph does not prohibit an on-sale retailer  
30 or employee from selling and delivering an opened, original container of  
31 distilled spirits if:

32 (a) Service or pouring of the spirituous liquor is provided by an  
33 employee of the on-sale retailer. A licensee shall not be charged for a  
34 violation of this paragraph if a customer, without the knowledge of the  
35 retailer, removes or tampers with a locking device on a bottle delivered  
36 to the customer for bottle service and the customer pours the customer's  
37 own drink from the bottle, if when the licensee becomes aware of the  
38 removal or tampering of the locking device the licensee immediately  
39 installs a functioning locking device on the bottle or removes the bottle  
40 and lock from bottle service.

41 (b) The employee of the on-sale retailer monitors consumption to  
42 ensure compliance with this paragraph. Locking devices may be used, but  
43 are not required.

44 24. For a licensee or employee to knowingly allow the unlawful  
45 possession, use, sale or offer for sale of narcotics, dangerous drugs or  
46 marijuana on the premises. For the purposes of this paragraph, "dangerous  
47 drug" has the same meaning prescribed in section 13-3401.

48 25. For a licensee or employee to knowingly allow prostitution or  
49 the solicitation of prostitution on the premises.

1           26. For a licensee or employee to knowingly allow unlawful gambling  
2 on the premises.

3           27. For a licensee or employee to knowingly allow trafficking or  
4 attempted trafficking in stolen property on the premises.

5           28. For a licensee or employee to fail or refuse to make the  
6 premises or records available for inspection and examination as provided  
7 in this title or to comply with a lawful subpoena issued under this title.

8           29. For any person other than a peace officer while on duty or off  
9 duty or a member of a sheriff's volunteer posse while on duty who has  
10 received firearms training that is approved by the Arizona peace officer  
11 standards and training board, a retired peace officer as defined in  
12 section 38-1113 or an honorably retired law enforcement officer who has  
13 been issued a certificate of firearms proficiency pursuant to section  
14 13-3112, subsection T, the licensee or an employee of the licensee acting  
15 with the permission of the licensee to be in possession of a firearm while  
16 on the licensed premises of an on-sale retailer. This paragraph does not  
17 include a situation in which a person is on licensed premises for a  
18 limited time in order to seek emergency aid and such person does not buy,  
19 receive, consume or possess spirituous liquor. This paragraph does not  
20 apply to:

21           (a) Hotel or motel guest room accommodations.

22           (b) Exhibiting or displaying a firearm in conjunction with a  
23 meeting, show, class or similar event.

24           (c) A person with a permit issued pursuant to section 13-3112 who  
25 carries a concealed handgun on the licensed premises of any on-sale  
26 retailer that has not posted a notice pursuant to section 4-229.

27           30. For a licensee or employee to knowingly allow a person in  
28 possession of a firearm other than a peace officer while on duty or off  
29 duty or a member of a sheriff's volunteer posse while on duty who has  
30 received firearms training that is approved by the Arizona peace officer  
31 standards and training board, a retired peace officer as defined in  
32 section 38-1113 or an honorably retired law enforcement officer who has  
33 been issued a certificate of firearms proficiency pursuant to section  
34 13-3112, subsection T, the licensee or an employee of the licensee acting  
35 with the permission of the licensee to remain on the licensed premises or  
36 to serve, sell or furnish spirituous liquor to a person in possession of a  
37 firearm while on the licensed premises of an on-sale retailer. It is a  
38 defense to action under this paragraph if the licensee or employee  
39 requested assistance of a peace officer to remove such person. This  
40 paragraph does not apply to:

41           (a) Hotel or motel guest room accommodations.

42           (b) Exhibiting or displaying a firearm in conjunction with a  
43 meeting, show, class or similar event.

44           (c) A person with a permit issued pursuant to section 13-3112 who  
45 carries a concealed handgun on the licensed premises of any on-sale  
46 retailer that has not posted a notice pursuant to section 4-229.

47           31. For any person in possession of a firearm while on the licensed  
48 premises of an on-sale retailer to consume spirituous liquor. This  
49 paragraph does not prohibit the consumption of small amounts of spirituous

1 liquor by an undercover peace officer on assignment to investigate the  
2 licensed establishment.

3 32. For a licensee or employee to knowingly allow spirituous liquor  
4 to be removed from the licensed premises, except in the original unbroken  
5 package. This paragraph does not apply to any of the following:

6 (a) A person who removes a bottle of wine that has been partially  
7 consumed in conjunction with a purchased meal from licensed premises if a  
8 cork is inserted flush with the top of the bottle or the bottle is  
9 otherwise securely closed.

10 (b) A person who is in licensed premises that have noncontiguous  
11 portions that are separated by a public or private walkway or driveway and  
12 who takes spirituous liquor from one portion of the licensed premises  
13 across the public or private walkway or driveway directly to the other  
14 portion of the licensed premises.

15 (c) A licensee of a bar, beer and wine bar, liquor store, beer and  
16 wine store, microbrewery or restaurant that has a permit pursuant to  
17 section 4-205.02, subsection H that dispenses beer only in a clean  
18 container composed of a material approved by a national sanitation  
19 organization with a maximum capacity that does not exceed one gallon and  
20 not for consumption on the premises if:

21 (i) The licensee or the licensee's employee fills the container at  
22 the tap at the time of sale.

23 (ii) The container is sealed and displays a government warning  
24 label.

25 (d) A bar or liquor store licensee that prepares a mixed cocktail  
26 or a restaurant licensee that ~~feases the privilege to sell mixed cocktails~~  
27 ~~for consumption off the licensed premises pursuant to section 4-203.06 or~~  
28 holds a permit pursuant to section 4-203.07 and section 4-205.02,  
29 subsection K and that prepares a mixed cocktail and transfers it to a  
30 clean container composed of a material approved by a national sanitation  
31 organization with a maximum capacity that does not exceed thirty-two  
32 ounces and not for consumption on the premises if all of the following  
33 apply:

34 (i) The licensee or licensee's employee fills the container with  
35 the mixed cocktail on the licensed premises of the bar, liquor store or  
36 restaurant.

37 (ii) The container is tamperproof sealed by the licensee or the  
38 licensee's employee and displays a government warning label.

39 (iii) The container clearly displays the bar's, liquor store's or  
40 restaurant's logo or name.

41 (iv) For a restaurant licensee licensed pursuant to section  
42 4-205.02, the sale of mixed cocktails for consumption off the licensed  
43 premises is accompanied by the sale of menu food items for consumption on  
44 or off the licensed premises.

45 33. For a person who is obviously intoxicated to buy or attempt to  
46 buy spirituous liquor from a licensee or employee of a licensee or to  
47 consume spirituous liquor on licensed premises.

48 34. For a person who is under twenty-one years of age to drive or  
49 be in physical control of a motor vehicle while there is any spirituous  
50 liquor in the person's body.

1           35. For a person who is under twenty-one years of age to operate or  
2 be in physical control of a motorized watercraft that is underway while  
3 there is any spirituous liquor in the person's body. For the purposes of  
4 this paragraph, "underway" has the same meaning prescribed in section  
5 5-301.

6           36. For a licensee, manager, employee or controlling person to  
7 purposely induce a voter, by means of alcohol, to vote or abstain from  
8 voting for or against a particular candidate or issue on an election day.

9           37. For a licensee to fail to report an occurrence of an act of  
10 violence to either the department or a law enforcement agency.

11           38. For a licensee to use a vending machine ~~for the purpose of~~  
12 ~~dispensing~~ TO DISPENSE spirituous liquor.

13           39. For a licensee to offer for sale a wine carrying a label  
14 including a reference to Arizona or any Arizona city, town or geographic  
15 location unless at least seventy-five percent by volume of the grapes used  
16 in making the wine were grown in Arizona.

17           40. For a retailer to knowingly allow a customer to bring  
18 spirituous liquor onto the licensed premises, except that an on-sale  
19 retailer may allow a wine and food club to bring wine onto the premises  
20 for consumption by the club's members and guests of the club's members in  
21 conjunction with meals purchased at a meeting of the club that is  
22 conducted on the premises and that at least seven members attend. An  
23 on-sale retailer that allows wine and food clubs to bring wine onto its  
24 premises under this paragraph shall comply with all applicable provisions  
25 of this title and any rules adopted pursuant to this title to the same  
26 extent as if the on-sale retailer had sold the wine to the members of the  
27 club and their guests. For the purposes of this paragraph, "wine and food  
28 club" means an association that has more than twenty bona fide members  
29 paying at least \$6 per year in dues and that has been in existence for at  
30 least one year.

31           41. For a person who is under twenty-one years of age to have in  
32 the person's body any spirituous liquor. In a prosecution for a violation  
33 of this paragraph:

34           (a) Pursuant to section 4-249, it is a defense that the spirituous  
35 liquor was consumed in connection with the bona fide practice of a  
36 religious belief or as an integral part of a religious exercise and in a  
37 manner not dangerous to public health or safety.

38           (b) Pursuant to section 4-226, it is a defense that the spirituous  
39 liquor was consumed for a bona fide medicinal purpose and in a manner not  
40 dangerous to public health or safety.

41           42. For an employee of a licensee to accept any gratuity,  
42 compensation, remuneration or consideration of any kind to either:

43           (a) Allow a person who is under twenty-one years of age to enter  
44 any portion of the premises where that person is prohibited from entering  
45 pursuant to paragraph 22 of this section.

46           (b) Sell, furnish, dispose of or give spirituous liquor to a person  
47 who is under twenty-one years of age.

48           43. For a person to purchase, offer for sale or use any device,  
49 machine or process that mixes spirituous liquor with pure oxygen or  
50 another gas to produce a vaporized product for the purpose of consumption

1 by inhalation or to allow patrons to use any item for the consumption of  
2 vaporized spirituous liquor.

3 44. For a retail licensee or an employee of a retail licensee to  
4 sell spirituous liquor to a person if the retail licensee or employee  
5 knows the person intends to resell the spirituous liquor.

6 45. Except as authorized by paragraph 32, subdivision (c) of this  
7 section, for a person to reuse a bottle or other container authorized for  
8 use by the laws of the United States or any agency of the United States  
9 for the packaging of distilled spirits or for a person to increase the  
10 original contents or a portion of the original contents remaining in a  
11 liquor bottle or other authorized container by adding any substance.

12 46. For a direct shipment licensee, a farm winery licensee or an  
13 employee of those licensees to sell, dispose of, deliver or give  
14 spirituous liquor to an individual purchaser between the hours of  
15 2:00 a.m. and 6:00 a.m., except that a direct shipment licensee or a farm  
16 winery licensee may receive and process orders, accept payment, package,  
17 load or otherwise prepare wine for delivery at any time without complying  
18 with section 4-241, subsections A and K, if the actual deliveries to  
19 individual purchasers are made between the hours of 6:00 a.m. and  
20 2:00 a.m. and in accordance with section 4-203.04 for direct shipment  
21 licensees and section 4-205.04 for farm winery licensees.

22 47. For a supplier to coerce or attempt to coerce a wholesaler to  
23 accept delivery of beer or any other commodity that has not been ordered  
24 by the wholesaler or for which the order was canceled. A supplier may  
25 impose reasonable inventory requirements on a wholesaler if the  
26 requirements are made in good faith and are generally applied to other  
27 similarly situated wholesalers that have an agreement with the supplier.

28 48. FROM AND AFTER DECEMBER 31, 2027, FOR A RETAILER OF ALTERNATIVE  
29 NICOTINE PRODUCTS TO PURCHASE ALTERNATIVE NICOTINE PRODUCTS FROM AN  
30 UNLICENSED DISTRIBUTOR OF ALTERNATIVE NICOTINE PRODUCTS OR AN UNLICENSED  
31 MANUFACTURER OF ALTERNATIVE NICOTINE PRODUCTS.

32 Sec. 8. Title 4, Arizona Revised Statutes, is amended by adding  
33 chapter 4, to read:

34 CHAPTER 4

35 ALTERNATIVE NICOTINE PRODUCTS

36 ARTICLE 1. LICENSURE AND SALE OF

37 ALTERNATIVE NICOTINE PRODUCTS

38 4-401. Distributor license; fee; violation; classification

39 A. FROM AND AFTER DECEMBER 31, 2027, A PERSON MAY NOT DISTRIBUTE  
40 ALTERNATIVE NICOTINE PRODUCTS FOR SALE IN THIS STATE WITHOUT A LICENSE  
41 ISSUED PURSUANT TO THIS SECTION. ALTERNATIVE NICOTINE PRODUCTS OFFERED  
42 FOR SALE IN THIS STATE SHALL ONLY BE PROVIDED BY A MANUFACTURER THAT IS  
43 LICENSED PURSUANT TO SECTION 4-402{{[,]}} AND ALL OF THE FOLLOWING  
44 REQUIREMENTS APPLY:

45 1. A DISTRIBUTOR OF ALTERNATIVE NICOTINE PRODUCTS MAY PURCHASE  
46 ALTERNATIVE NICOTINE PRODUCTS ONLY FROM A DISTRIBUTOR THAT IS LICENSED  
47 PURSUANT TO THIS SECTION OR FROM A MANUFACTURER THAT IS LICENSED PURSUANT  
48 TO SECTION 4-402. A DISTRIBUTOR OF ALTERNATIVE NICOTINE PRODUCTS SHALL  
49 VERIFY THAT THE DISTRIBUTOR OR MANUFACTURER HAS A VALID LICENSE ISSUED  
50 PURSUANT TO THIS SECTION OR SECTION 4-402 AND SHALL OBTAIN PROOF THAT THE

1 DISTRIBUTOR OR MANUFACTURER HAS A VALID LICENSE BEFORE PURCHASING  
2 ALTERNATIVE NICOTINE PRODUCTS FROM THE DISTRIBUTOR OR MANUFACTURER.

3 2. A DISTRIBUTOR OF ALTERNATIVE NICOTINE PRODUCTS SHALL MAINTAIN  
4 DOCUMENTATION ~~{{FOR THREE YEARS}}~~ AT THE DISTRIBUTOR'S FACILITY FOR EACH  
5 TRANSACTION THAT INVOLVES THE SALE, PURCHASE, TRANSFER OR RECEIPT OF  
6 ALTERNATIVE NICOTINE PRODUCTS. ~~{{A DISTRIBUTOR OF ALTERNATIVE NICOTINE  
7 PRODUCTS SHALL PROVIDE THIS DOCUMENTATION TO THE DEPARTMENT ON THE REQUEST  
8 OF THE DEPARTMENT.}}~~

9 3. ALL ALTERNATIVE NICOTINE PRODUCTS THAT ARE HELD OR STORED FOR  
10 SALE OR DISTRIBUTION IN THIS STATE BY OR ON BEHALF OF A RETAILER ~~[OF  
11 ALTERNATIVE NICOTINE PRODUCTS]~~ SHALL BE ACCESSIBLE TO THE DEPARTMENT AND  
12 OTHER LAW ENFORCEMENT OFFICERS DURING NORMAL BUSINESS HOURS WITHOUT A  
13 JUDICIAL WARRANT OR PRIOR WRITTEN CONSENT OF THE DISTRIBUTOR.

14 ~~{{4. ALTERNATIVE NICOTINE PRODUCTS THAT ARE SOLD OR OFFERED FOR  
15 SALE IN VIOLATION OF THIS SECTION ARE DEEMED CONTRABAND AND SUBJECT TO  
16 SEIZURE AND DESTRUCTION OR DISPOSAL.}}~~

17 ~~B. A PERSON DESIRING A LICENSE TO DISTRIBUTE ALTERNATIVE NICOTINE  
18 PRODUCTS FOR SALE IN THIS STATE SHALL APPLY TO THE DIRECTOR ON A FORM  
19 PRESCRIBED BY THE DIRECTOR. THE APPLICATION MUST REQUIRE ALL OF THE  
20 FOLLOWING INFORMATION:~~

21 ~~1. THE APPLICANT'S DISTRIBUTION BUSINESS ADDRESS, TELEPHONE NUMBER,  
22 EMAIL ADDRESS AND, IF THE APPLICANT IS AN ENTITY, THE NAME OF THE SENIOR  
23 OFFICER:~~

24 ~~2. PROOF OF LIABILITY INSURANCE COVERAGE.~~

25 ~~3. A COPY OF THE REGISTRATION FORM PROVIDED BY THE UNITED STATES  
26 BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES AS PROOF OF THE  
27 APPLICANT'S COMPLIANCE WITH THE PREVENT ALL CIGARETTE TRAFFICKING ACT OF  
28 2009 (P.L. 111-154; 124 STAT. 1087; 15 UNITED STATES CODE SECTION 376a).}}~~

29 ~~{{B. EACH APPLICANT FOR AN ALTERNATIVE NICOTINE PRODUCT DISTRIBUTOR  
30 LICENSE ISSUED PURSUANT TO THIS SECTION, OTHER THAN A CORPORATE LICENSEE,  
31 A LIMITED LIABILITY COMPANY LICENSEE OR AN OUT-OF-STATE LICENSEE, MUST BE  
32 A CITIZEN OF THE UNITED STATES AND A BONA FIDE RESIDENT OF THIS STATE OR A  
33 LEGAL RESIDENT ALIEN WHO IS A BONA FIDE RESIDENT OF THIS STATE. IF THE  
34 APPLICANT IS A PARTNERSHIP, EACH PARTNER MUST BE A CITIZEN OF THE UNITED  
35 STATES AND A BONA FIDE RESIDENT OF THIS STATE OR A LEGAL RESIDENT ALIEN  
36 WHO IS A BONA FIDE RESIDENT OF THIS STATE, EXCEPT FOR A LIMITED  
37 PARTNERSHIP. IF THE APPLICANT IS A LIMITED PARTNERSHIP, AN INDIVIDUAL  
38 GENERAL PARTNER IS REQUIRED TO MEET THE QUALIFICATIONS OF AN INDIVIDUAL  
39 LICENSEE. A CORPORATE GENERAL PARTNER IS REQUIRED TO MEET THE  
40 QUALIFICATIONS OF A CORPORATE LICENSEE AND A LIMITED PARTNER IS NOT  
41 REQUIRED TO BE A CITIZEN OF THE UNITED STATES, A LEGAL RESIDENT ALIEN OR A  
42 BONA FIDE RESIDENT OF THIS STATE. IF THE APPLICANT IS A CORPORATION OR  
43 LIMITED LIABILITY COMPANY, THE CORPORATION OR LIMITED LIABILITY COMPANY  
44 MUST BE A DOMESTIC CORPORATION OR A FOREIGN CORPORATION OR A LIMITED  
45 LIABILITY COMPANY THAT IS QUALIFIED TO DO BUSINESS IN THIS STATE. THE  
46 CORPORATION OR LIMITED LIABILITY COMPANY SHALL FILE WITH THE DEPARTMENT A  
47 LIST OF THE CORPORATION'S OFFICERS AND DIRECTORS AND ANY STOCKHOLDERS WHO  
48 OWN TEN PERCENT OR MORE OF THE CORPORATION OR LIMITED LIABILITY COMPANY.}}~~

49 ~~C. AN APPLICANT OR LICENSEE SHALL HOLD A LICENSE THAT IS ISSUED  
50 PURSUANT TO THIS SECTION TO A CORPORATION, LIMITED LIABILITY COMPANY,~~

1 PARTNERSHIP OR OUT-OF-STATE LICENSE THROUGH AN AGENT. THE AGENT MUST BE A  
2 NATURAL PERSON. NOTICE OF A CHANGE OF AGENT MUST BE FILED WITH THE  
3 DIRECTOR WITHIN THIRTY DAYS AFTER A CHANGE OF AGENT. FOR THE PURPOSES OF  
4 THIS SUBSECTION, "AGENT" MEANS A PERSON WHO IS DESIGNATED BY AN APPLICANT  
5 OR LICENSEE TO RECEIVE COMMUNICATIONS FROM THE DEPARTMENT AND TO FILE AND  
6 SIGN DOCUMENTS FOR FILING WITH THE DEPARTMENT ON BEHALF OF THE APPLICANT  
7 OR LICENSEE.

8 D. AN APPLICANT SHALL FILE AN APPLICATION FOR A LICENSE THAT IS  
9 ISSUED PURSUANT TO THIS SECTION ON A FORM PRESCRIBED BY THE DIRECTOR. AN  
10 APPLICATION THAT IS FILED PURSUANT TO THIS SUBSECTION MUST REQUIRE THE  
11 FOLLOWING INFORMATION:

12 1. PROOF OF LIABILITY INSURANCE COVERAGE.

13 2. A COPY OF THE REGISTRATION FORM PROVIDED BY THE UNITED STATES  
14 BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES AS PROOF OF THE  
15 APPLICANT'S COMPLIANCE WITH THE PREVENT ALL CIGARETTE TRAFFICKING ACT OF  
16 2009 (P.L. 111-154; 124 STAT. 1087; 15 UNITED STATES CODE SECTION 376a).

17 E. THE DEPARTMENT SHALL ISSUE A LICENSE PURSUANT TO THIS SECTION TO  
18 AN APPLICANT THAT MEETS ALL OF THE QUALIFICATIONS OF THIS SECTION ONE  
19 HUNDRED FIVE DAYS AFTER FILING THE APPLICATION.

20 F. EACH APPLICANT SHALL DESIGNATE A MANAGER WHO IS RESPONSIBLE FOR  
21 MANAGING THE PREMISES OWNED BY THE APPLICANT. THE DESIGNATED PERSON MAY  
22 BE THE APPLICANT. THE SAME PERSON MAY BE DESIGNATED AS THE MANAGER FOR  
23 MORE THAN ONE PREMISES OWNED BY THE SAME APPLICANT OR LICENSEE. NOTICE OF  
24 A CHANGE OF A LICENSEE'S MANAGER MUST BE FILED WITH THE DIRECTOR WITHIN  
25 THIRTY DAYS AFTER A CHANGE.

26 G. A LICENSE MAY NOT BE ISSUED TO ANY APPLICANT WHO, WITHIN ONE  
27 YEAR BEFORE SUBMITTING AN APPLICATION PURSUANT TO THIS SECTION, HAS HAD A  
28 LICENSE REVOKED. A LICENSE MAY NOT BE ISSUED TO OR RENEWED FOR ANY  
29 APPLICANT OR LICENSEE WHO, WITHIN FIVE YEARS BEFORE SUBMITTING THE  
30 APPLICATION FOR A LICENSE OR RENEWAL OF A LICENSE PURSUANT TO THIS  
31 SECTION, HAS BEEN CONVICTED OF A FELONY OR CONVICTED OF AN OFFENSE IN  
32 ANOTHER STATE OR JURISDICTION THAT WOULD BE A FELONY IN THIS STATE. THE  
33 DIRECTOR SHALL REQUIRE ANY APPLICANT AND ANY CONTROLLING PERSON, OTHER  
34 THAN A BANK OR LICENSED LENDING INSTITUTION, TO CERTIFY ON A FORM THAT IS  
35 PROVIDED BY THE DEPARTMENT AND THAT IS NOTARIZED THAT WITHIN FIVE YEARS  
36 BEFORE SUBMITTING THE APPLICATION FOR A LICENSE OR RENEWAL OF A LICENSE  
37 PURSUANT TO THIS SECTION, THE APPLICANT OR CONTROLLING PERSON HAS NOT BEEN  
38 CONVICTED OF A FELONY IN THIS STATE OR AN OFFENSE IN ANOTHER STATE OR  
39 JURISDICTION THAT WOULD BE A FELONY IN THIS STATE.

40 H. AN APPLICANT OR LICENSEE THAT IS DENIED A LICENSE OR A LICENSE  
41 RENEWAL BY THE DEPARTMENT MAY APPEAL THAT DECISION TO THE BOARD PURSUANT  
42 TO SECTION 4-210.02.}}

43 {{~~C.~~}} {{I.}} THE DIRECTOR MAY ESTABLISH A FEE FOR A LICENSE ISSUED  
44 {{OR RENEWED}} PURSUANT TO THIS SECTION. A LICENSE THAT IS ISSUED  
45 PURSUANT TO THIS SECTION IS VALID FOR {{TWO YEARS}} {{ONE YEAR}}. {{A  
46 LICENSE ISSUED PURSUANT TO THIS SECTION MUST BE RENEWED ANNUALLY IN A  
47 MANNER PRESCRIBED BY THE DIRECTOR. A LICENSEE THAT FAILS TO RENEW A  
48 LICENSE ON OR BEFORE THE RENEWAL DATE SHALL PAY A PENALTY THAT IS  
49 DETERMINED BY THE DIRECTOR. THE LICENSEE SHALL PAY THE LATE RENEWAL  
50 PENALTY WITH THE LICENSEE'S LICENSE RENEWAL FEE.}}



1 4. ALL ALTERNATIVE NICOTINE PRODUCTS THAT ARE HELD OR STORED FOR  
2 SALE OR DISTRIBUTION IN THIS STATE BY OR ON BEHALF OF A DISTRIBUTOR OR  
3 RETAILER ~~[OF ALTERNATIVE NICOTINE PRODUCTS]~~ SHALL BE ACCESSIBLE TO THE  
4 DEPARTMENT AND OTHER LAW ENFORCEMENT OFFICERS DURING NORMAL BUSINESS HOURS  
5 WITHOUT A JUDICIAL WARRANT OR PRIOR WRITTEN CONSENT OF THE MANUFACTURER.

6 ~~{{5. ALTERNATIVE NICOTINE PRODUCTS THAT ARE SOLD OR OFFERED FOR  
7 SALE IN VIOLATION OF THIS SECTION ARE DEEMED CONTRABAND AND SUBJECT TO  
8 SEIZURE AND DESTRUCTION OR DISPOSAL.~~

9 ~~B. A PERSON DESIRING A LICENSE TO MANUFACTURE ALTERNATIVE NICOTINE  
10 PRODUCTS THAT ARE FOR SALE IN THIS STATE SHALL APPLY TO THE DIRECTOR ON A  
11 FORM FURNISHED BY THE DIRECTOR. THE APPLICANT SHALL PROVIDE ALL OF THE  
12 FOLLOWING:~~

13 ~~1. THE APPLICANT'S MANUFACTURING BUSINESS ADDRESS, TELEPHONE  
14 NUMBER, EMAIL ADDRESS AND, IF THE APPLICANT IS AN ENTITY, THE NAME OF THE  
15 SENIOR OFFICER.~~

16 ~~2. PROOF OF MANUFACTURING LIABILITY INSURANCE COVERAGE.~~

17 ~~3. PROOF OF THE APPLICANT'S COMPLIANCE WITH THE PREVENT ALL  
18 CIGARETTE TRAFFICKING ACT OF 2009 (P.L. 111-154; 124 STAT. 1087; 15 UNITED  
19 STATES CODE SECTION 376a).~~

20 ~~4. THE APPLICANT'S PRODUCT CATALOG OF ALTERNATIVE NICOTINE PRODUCTS  
21 THAT THE APPLICANT INTENDS TO MANUFACTURE AND THAT WILL BE FOR SALE IN  
22 THIS STATE. THE PRODUCT CATALOG SHALL INCLUDE ALL OF THE FOLLOWING:~~

23 ~~(a) THE ALTERNATIVE PRODUCT NAME, CATEGORY, NICOTINE STRENGTH AND  
24 FLAVORS.~~

25 ~~(b) A COPY OR IMAGE OF THE NICOTINE PRODUCT'S PACKAGING AND WARNING  
26 LABEL.~~

27 ~~(c) A TOXICOLOGY REPORT FOR THE NICOTINE PRODUCT, IF REQUESTED BY  
28 THE DEPARTMENT.}}~~

29 ~~{{B. EACH APPLICANT FOR AN ALTERNATIVE NICOTINE PRODUCT  
30 MANUFACTURER LICENSE ISSUED PURSUANT TO THIS SECTION, OTHER THAN A  
31 CORPORATE LICENSEE, A LIMITED LIABILITY COMPANY LICENSEE OR AN  
32 OUT-OF-STATE LICENSEE, MUST BE A CITIZEN OF THE UNITED STATES AND A BONA  
33 FIDE RESIDENT OF THIS STATE OR A LEGAL RESIDENT ALIEN WHO IS A BONA FIDE  
34 RESIDENT OF THIS STATE. IF THE APPLICANT IS A PARTNERSHIP, EACH PARTNER  
35 MUST BE A CITIZEN OF THE UNITED STATES AND A BONA FIDE RESIDENT OF THIS  
36 STATE OR A LEGAL RESIDENT ALIEN WHO IS A BONA FIDE RESIDENT OF THIS STATE,  
37 EXCEPT FOR A LIMITED PARTNERSHIP. IF THE APPLICANT IS A LIMITED  
38 PARTNERSHIP, AN INDIVIDUAL GENERAL PARTNER IS REQUIRED TO MEET THE  
39 QUALIFICATIONS OF AN INDIVIDUAL LICENSEE. A CORPORATE GENERAL PARTNER IS  
40 REQUIRED TO MEET THE QUALIFICATIONS OF A CORPORATE LICENSEE AND A LIMITED  
41 PARTNER IS NOT REQUIRED TO BE A CITIZEN OF THE UNITED STATES, A LEGAL  
42 RESIDENT ALIEN OR A BONA FIDE RESIDENT OF THIS STATE. IF THE APPLICANT IS  
43 A CORPORATION OR LIMITED LIABILITY COMPANY, THE CORPORATION OR LIMITED  
44 LIABILITY COMPANY MUST BE A DOMESTIC CORPORATION OR A FOREIGN CORPORATION  
45 OR A LIMITED LIABILITY COMPANY THAT IS QUALIFIED TO DO BUSINESS IN THIS  
46 STATE AND SHALL FILE WITH THE DEPARTMENT A LIST OF THE CORPORATION'S  
47 OFFICERS AND DIRECTORS AND ANY STOCKHOLDERS WHO OWN TEN PERCENT OR MORE OF  
48 THE CORPORATION.~~

49 ~~C. AN APPLICANT SHALL HOLD A LICENSE THAT IS ISSUED PURSUANT TO  
50 THIS SECTION TO A CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP OR~~

1 OUT-OF-STATE LICENSE THROUGH AN AGENT. THE AGENT MUST BE A NATURAL  
2 PERSON. NOTICE OF A CHANGE OF AGENT MUST BE FILED WITH THE DIRECTOR  
3 WITHIN THIRTY DAYS AFTER A CHANGE OF AGENT. FOR THE PURPOSES OF THIS  
4 SUBSECTION, "AGENT" MEANS A PERSON WHO IS DESIGNATED BY AN APPLICANT OR  
5 LICENSEE TO RECEIVE COMMUNICATIONS FROM THE DEPARTMENT AND TO FILE AND  
6 SIGN DOCUMENTS FOR FILING WITH THE DEPARTMENT ON BEHALF OF THE APPLICANT  
7 OR LICENSEE.

8 D. AN APPLICANT SHALL FILE AN APPLICATION FOR A LICENSE THAT IS  
9 ISSUED PURSUANT TO THIS SECTION ON A FORM PRESCRIBED BY THE DIRECTOR. AN  
10 APPLICATION THAT IS FILED PURSUANT TO THIS SUBSECTION MUST REQUIRE THE  
11 FOLLOWING INFORMATION:

12 1. PROOF OF MANUFACTURING LIABILITY INSURANCE COVERAGE.

13 2. PROOF OF THE APPLICANT'S COMPLIANCE WITH THE PREVENT ALL  
14 CIGARETTE TRAFFICKING ACT OF 2009 (P.L. 111-154; 124 STAT. 1087; 15 UNITED  
15 STATES CODE SECTION 376a).

16 3. THE APPLICANT'S PRODUCT CATALOG OF ALTERNATIVE NICOTINE PRODUCTS  
17 THAT THE APPLICANT INTENDS TO MANUFACTURE AND THAT WILL BE FOR SALE IN  
18 THIS STATE. THE PRODUCT CATALOG MUST INCLUDE ALL OF THE FOLLOWING:

19 (a) THE ALTERNATIVE NICOTINE PRODUCT NAME, CATEGORY, NICOTINE  
20 STRENGTH AND FLAVORS.

21 (b) A COPY OR IMAGE OF THE ALTERNATIVE NICOTINE PRODUCT'S PACKAGING  
22 AND WARNING LABEL.

23 (c) A TOXICOLOGY REPORT FOR THE ALTERNATIVE NICOTINE PRODUCT, IF  
24 REQUESTED BY THE DEPARTMENT.

25 E. AN APPLICANT FOR A LICENSE ISSUED PURSUANT TO THIS SECTION MAY  
26 PROVIDE TO THE DEPARTMENT AN UPDATED PRODUCT CATALOG PURSUANT TO  
27 SUBSECTION D, PARAGRAPH 3 OF THIS SECTION WHILE THE APPLICANT'S  
28 APPLICATION IS PENDING APPROVAL. A LICENSEE MAY SUBMIT AN UPDATED PRODUCT  
29 CATALOG TO THE DEPARTMENT AT ANY TIME. SUBMITTING AN UPDATED PRODUCT  
30 CATALOG IS SUPPLEMENTARY TO THE REQUIREMENTS OF SUBSECTION D OF THIS  
31 SECTION, DOES NOT RENDER AN APPLICATION FOR A LICENSE THAT IS ISSUED  
32 PURSUANT TO THIS SECTION INCOMPLETE AND DOES NOT AFFECT THE VALIDITY OF A  
33 LICENSE OR THE ELIGIBILITY OF THE APPLICANT OR LICENSEE.

34 F. THE DEPARTMENT SHALL ISSUE A LICENSE PURSUANT TO THIS SECTION TO  
35 AN APPLICANT THAT MEETS ALL OF THE QUALIFICATIONS OF THIS SECTION WITHIN  
36 ONE HUNDRED FIVE DAYS AFTER FILING THE APPLICATION.

37 G. AN APPLICANT FOR A LICENSE THAT IS ISSUED PURSUANT TO THIS  
38 SECTION OR FOR THE RENEWAL OF A LICENSE THAT IS ISSUED PURSUANT TO THIS  
39 SECTION SHALL FILE WITH THE APPLICATION A NOTARIZED ATTESTATION THAT IS  
40 SIGNED UNDER PENALTY OF PERJURY THAT FOR EACH ALTERNATIVE NICOTINE PRODUCT  
41 THAT IS IDENTIFIED IN THE MANUFACTURER'S PRODUCT CATALOG, BOTH OF THE  
42 FOLLOWING APPLY:

43 1. THE APPLICANT OR THE LICENSEE HAS SUBMITTED TO THE UNITED STATES  
44 FOOD AND DRUG ADMINISTRATION AN APPLICATION FOR A PREMARKET SUBMISSION OR  
45 REQUEST FOR MARKETING AUTHORIZATION PURSUANT TO 21 UNITED STATES CODE  
46 SECTION 387j.

47 2. ANY DENIAL OF AN APPLICATION FOR ANY PRODUCT IN THE  
48 MANUFACTURER'S PRODUCT CATALOG IS PENDING ADMINISTRATIVE REVIEW BY THE  
49 UNITED STATES FOOD AND DRUG ADMINISTRATION OR PENDING A FINAL JUDGMENT BY

1 A COURT OF COMPETENT JURISDICTION PURSUANT TO 21 UNITED STATES CODE  
2 SECTION 3871.

3 H. EACH APPLICANT SHALL DESIGNATE A MANAGER WHO IS RESPONSIBLE FOR  
4 MANAGING THE PREMISES OWNED BY THE APPLICANT. THE DESIGNATED PERSON MAY  
5 BE THE APPLICANT. THE SAME PERSON MAY BE DESIGNATED AS THE MANAGER FOR  
6 MORE THAN ONE PREMISES OWNED BY THE SAME APPLICANT OR LICENSEE. NOTICE OF  
7 A CHANGE OF A LICENSEE'S MANAGER MUST BE FILED WITH THE DIRECTOR WITHIN  
8 THIRTY DAYS AFTER A CHANGE.

9 I. A LICENSE MAY NOT BE ISSUED TO ANY APPLICANT WHO, WITHIN ONE  
10 YEAR BEFORE SUBMITTING AN APPLICATION PURSUANT TO THIS SECTION, HAS HAD A  
11 LICENSE REVOKED. A LICENSE MAY NOT BE ISSUED TO OR RENEWED FOR ANY  
12 APPLICANT OR LICENSEE WHO, WITHIN FIVE YEARS BEFORE SUBMITTING THE  
13 APPLICATION FOR A LICENSE OR RENEWAL OF A LICENSE PURSUANT TO THIS  
14 SECTION, HAS BEEN CONVICTED OF A FELONY OR CONVICTED OF AN OFFENSE IN  
15 ANOTHER STATE OR JURISDICTION THAT WOULD BE A FELONY IN THIS STATE. THE  
16 DIRECTOR SHALL REQUIRE ANY APPLICANT AND ANY CONTROLLING PERSON, OTHER  
17 THAN A BANK OR LICENSED LENDING INSTITUTION, ON A FORM THAT IS PROVIDED BY  
18 THE DEPARTMENT AND THAT IS NOTARIZED THAT WITHIN FIVE YEARS BEFORE  
19 SUBMITTING THE APPLICATION FOR A LICENSE OR RENEWAL OF A LICENSE PURSUANT  
20 TO THIS SECTION, THE APPLICANT OR CONTROLLING PERSON HAS NOT BEEN  
21 CONVICTED OF A FELONY IN THIS STATE OR AN OFFENSE IN ANOTHER STATE OR  
22 JURISDICTION THAT WOULD BE A FELONY IN THIS STATE.

23 J. AN APPLICANT OR LICENSEE THAT IS DENIED A LICENSE OR LICENSE  
24 RENEWAL BY THE DEPARTMENT MAY APPEAL THAT DECISION TO THE BOARD PURSUANT  
25 TO SECTION 4-210.02.}}

26 ~~{{C.}}~~ ~~{{K.}}~~ THE DIRECTOR MAY ESTABLISH A FEE FOR A LICENSE ISSUED  
27 {{OR RENEWED}} PURSUANT TO THIS SECTION. A LICENSE IS VALID FOR {{TWO  
28 YEARS}} ~~{{ONE YEAR}}~~. ~~{{A LICENSE ISSUED PURSUANT TO THIS SECTION MUST BE  
29 RENEWED ANNUALLY IN A MANNER PRESCRIBED BY THE DIRECTOR. A LICENSEE THAT  
30 FAILS TO RENEW A LICENSE ON OR BEFORE THE RENEWAL DATE SHALL PAY A PENALTY  
31 THAT IS DETERMINED BY THE DIRECTOR. THE LICENSEE SHALL PAY THE LATE  
32 RENEWAL PENALTY WITH THE LICENSEE'S LICENSE RENEWAL FEE.}}~~

33 ~~{{D.}}~~ ~~{{L.}}~~ A LICENSEE SHALL PAY TO THE DEPARTMENT AN ANNUAL FEE  
34 FOR EACH STOCKKEEPING UNIT OF EACH ALTERNATIVE NICOTINE PRODUCT THAT THE  
35 LICENSEE WILL MANUFACTURE AND THAT {{ARE}} {{IS}} FOR SALE IN THIS  
36 STATE. THE DIRECTOR MAY DETERMINE THE ANNUAL STOCKKEEPING UNIT FEE THAT  
37 IS REQUIRED PURSUANT TO THIS SUBSECTION.

38 ~~{{E.}}~~ ~~{{M.}}~~ A LICENSE TO MANUFACTURE ALTERNATIVE NICOTINE  
39 PRODUCTS THAT ARE FOR SALE IN THIS STATE IS NOT TRANSFERABLE. {{THE  
40 LICENSEE SHALL REPORT ANY CHANGE IN OWNERSHIP OF THE BUSINESS OF THE  
41 LICENSEE, DIRECTLY OR INDIRECTLY, AS DEFINED BY RULE, TO THE DIRECTOR  
42 WITHIN THIRTY DAYS AFTER THE CHANGE IN OWNERSHIP.}}

43 ~~{{F.}}~~ ~~{{N.}}~~ A LICENSE TO MANUFACTURE ALTERNATIVE NICOTINE  
44 PRODUCTS MAY NOT BE LEASED OR SUBLEASED.

45 ~~{{G.}}~~ ~~{{O.}}~~ THE DEPARTMENT MAY CONDUCT AN AUDIT TO ENSURE A  
46 MANUFACTURER THAT IS LICENSED PURSUANT TO THIS SECTION IS IN COMPLIANCE  
47 WITH THIS SECTION. THE DEPARTMENT MAY REQUEST A NOTARIZED ATTESTATION  
48 THAT THE MANUFACTURER'S PRODUCTS THAT ARE SOLD IN THIS STATE WERE IMPORTED  
49 IN CONFORMITY WITH ALL UNITED STATES CUSTOMS AND BORDER REQUIREMENTS,  
50 WHETHER THE NOTARIZED ATTESTATION WAS PROVIDED BY THE MANUFACTURER OR

1 ANOTHER ENTITY. THE DEPARTMENT MAY REQUEST THAT THE MANUFACTURER PROVIDE  
2 ANY ADDITIONAL DOCUMENTATION ~~[[THAT]]~~ THE DEPARTMENT DEEMS RELEVANT.

3 ~~[[H.]]~~ ~~[[P.]]~~ A PERSON THAT MANUFACTURES ALTERNATIVE NICOTINE  
4 PRODUCTS FOR SALE IN THIS STATE WITHOUT A LICENSE AS REQUIRED BY THIS  
5 SECTION IS GUILTY OF A CLASS 5 FELONY AND:

6 1. SHALL PAY A FINE OF AT LEAST \$10,000.

7 2. IS PROHIBITED FROM SELLING, GIVING~~[[, MANUFACTURING]]~~ OR  
8 FURNISHING ALTERNATIVE NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.

9 3. IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE  
10 ~~DIRECTOR~~ ~~COURT~~.

11 ~~[[Q. ALTERNATIVE NICOTINE PRODUCTS THAT ARE MANUFACTURED FOR SALE  
12 OR OFFERED FOR SALE IN VIOLATION OF THIS SECTION MAY BE DEEMED CONTRABAND  
13 AND SEIZED AS EVIDENCE IN A CRIMINAL PROCEEDING UNDER THIS SECTION. ON  
14 ADJUDICATION OF THE CRIMINAL PROCEEDING, THE COURT SHALL ORDER ALTERNATIVE  
15 NICOTINE PRODUCTS THAT ARE DEEMED CONTRABAND TO BE DESTROYED AS A TERM OF  
16 THE DISPOSITION OF THE CRIMINAL PROCEEDING.~~

17 ~~[[R. NOTWITHSTANDING ANY OTHER LAW, ALL RECEIPTS DERIVED FROM  
18 ALTERNATIVE NICOTINE PRODUCTS MANUFACTURING LICENSE APPLICATIONS ARE  
19 APPROPRIATED TO THE DEPARTMENT. THE DEPARTMENT SHALL DEPOSIT MONIES  
20 RECEIVED PURSUANT TO THIS SECTION IN THE LIQUOR LICENSES FUND ESTABLISHED  
21 BY SECTION 4-120. THE AMOUNT DEPOSITED IN THE LIQUOR LICENSES FUND  
22 PURSUANT TO THIS SECTION SHALL BE WITHOUT REGARD TO THE AMOUNT THAT IS  
23 APPROPRIATED TO THE DEPARTMENT BY THE LEGISLATURE.]]~~

24 ~~[[4-403. Selling, delivering or giving of alternative nicotine  
25 products to underage persons; violations;  
26 classification~~

27 ~~A. EXCEPT AS PROVIDED IN SECTION 36-798.07, A RETAILER OR A  
28 RETAILER'S EMPLOYEE MAY NOT SELL ALTERNATIVE NICOTINE PRODUCTS TO A PERSON  
29 WHO IS UNDER TWENTY-ONE YEARS OF AGE.~~

30 ~~B. ON THE RECEIPT OF NOTICE OF A VIOLATION OF SUBSECTION A OF THIS  
31 SECTION, THE DIRECTOR SHALL PROVIDE NOTICE OF THE ALLEGED VIOLATION TO THE  
32 RETAILER WHO IS ALLEGED TO HAVE COMMITTED THE VIOLATION. AFTER A HEARING,  
33 IF A RETAILER IS FOUND TO HAVE COMMITTED A VIOLATION OF THIS SECTION, THE  
34 FOLLOWING PENALTIES APPLY:~~

35 ~~1. THE DIRECTOR SHALL ORDER A RETAILER THAT COMMITS A FIRST  
36 VIOLATION OF THIS SECTION TO ATTEND A DIRECTOR-APPROVED ALTERNATIVE  
37 NICOTINE PRODUCTS RETAILER EDUCATIONAL COURSE THAT HAS BEEN APPROVED BY  
38 THE DIRECTOR AND PAY A CIVIL PENALTY OF AT LEAST \$500 BUT NOT MORE THAN  
39 \$750.~~

40 ~~2. A RETAILER THAT COMMITS A SECOND VIOLATION OF THIS SECTION AT  
41 THE SAME LICENSED LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS  
42 3 MISDEMEANOR AND:~~

43 ~~(a) SHALL PAY A FINE OF AT LEAST \$2,000 BUT NOT MORE THAN \$3,000.~~

44 ~~(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS  
45 RETAILER EDUCATIONAL COURSE.~~

46 ~~(c) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE  
47 DIRECTOR.~~

48 ~~3. A RETAILER THAT COMMITS A THIRD VIOLATION OF THIS SECTION AT THE  
49 SAME LICENSED LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS 1  
50 MISDEMEANOR AND:~~

1       ~~(a) SHALL PAY A CIVIL PENALTY OF AT LEAST \$10,000.~~  
2       ~~(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS~~  
3 ~~RETAILER EDUCATIONAL COURSE.~~  
4       ~~(c) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE~~  
5 ~~NICOTINE PRODUCTS FOR A PERIOD OF ONE HUNDRED TWENTY DAYS.~~  
6       ~~(d) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE~~  
7 ~~DIRECTOR.~~  
8       ~~4. A RETAILER THAT COMMITS A FOURTH OR SUBSEQUENT VIOLATION OF THIS~~  
9 ~~SECTION AT THE SAME LICENSED LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY~~  
10 ~~OF A CLASS 6 FELONY AND:~~  
11       ~~(a) SHALL PAY A FINE OF AT LEAST \$10,000.~~  
12       ~~(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS~~  
13 ~~EDUCATIONAL COURSE.~~  
14       ~~(c) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE~~  
15 ~~NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.~~  
16       ~~(d) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE~~  
17 ~~DIRECTOR.~~  
18       ~~5. A RETAILER THAT COMMITS A FOURTH OR SUBSEQUENT VIOLATION OF THIS~~  
19 ~~SECTION AT THE SAME LICENSED LOCATION WITHIN TWELVE MONTHS IS GUILTY OF A~~  
20 ~~CLASS 5 FELONY AND:~~  
21       ~~(a) SHALL PAY A FINE OF AT LEAST \$10,000.~~  
22       ~~(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCT~~  
23 ~~RETAILER EDUCATIONAL COURSE.~~  
24       ~~(c) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE~~  
25 ~~NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.~~  
26       ~~(d) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE~~  
27 ~~DIRECTOR.~~  
28       ~~C. IF THE DIRECTOR ORDERS A RETAILER TO ATTEND AN ALTERNATIVE~~  
29 ~~NICOTINE PRODUCTS RETAILER EDUCATIONAL COURSE, EACH OWNER AND PERSON WHO~~  
30 ~~SERVES IN A MANAGERIAL POSITION AND AT LEAST ONE PERSON WHO SERVES IN A~~  
31 ~~NONMANAGERIAL POSITION SHALL ATTEND THE COURSE.~~  
32       ~~D. THE DEPARTMENT MAY COORDINATE WITH APPROPRIATE LAW ENFORCEMENT~~  
33 ~~AGENCIES TO ENFORCE THIS SECTION.~~  
34       ~~E. A PERSON WHO SELLS ALTERNATIVE NICOTINE PRODUCTS IN VIOLATION OF~~  
35 ~~THIS SECTION IS GUILTY OF A CLASS 5 FELONY AND:~~  
36       ~~1. SHALL PAY A FINE OF AT LEAST \$10,000.~~  
37       ~~2. IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE~~  
38 ~~NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.~~  
39       ~~3. IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE~~  
40 ~~DIRECTOR.]~~  
41       ~~[4-404]~~ [4-403]. Alternative nicotine products marketing;  
42       violation; classification  
43       A. A ~~{{LICENSEE}}~~ ~~{{PERSON}}~~ MAY NOT MARKET, ADVERTISE, SELL OR  
44 CAUSE TO BE SOLD AN ALTERNATIVE NICOTINE PRODUCT IN A CONTAINER THAT DOES  
45 ANY OF THE FOLLOWING:  
46       1. DEPICTS A CARTOON-LIKE FICTIONAL CHARACTER THAT MIMICS A  
47 CHARACTER PRIMARILY AIMED AT ENTERTAINING.  
48       2. IMITATES OR MIMICS A TRADEMARK OR TRADE DRESS OF A PRODUCT THAT  
49 IS OR HAS BEEN PRIMARILY MARKETED TO MINORS.

1 3. INCLUDES A SYMBOL THAT IS PRIMARILY USED TO MARKET PRODUCTS TO  
2 MINORS.  
3 4. INCLUDES AN IMAGE OR THE NAME OF A CELEBRITY.  
4 5. IS IN A PRODUCT SHAPE OR DESIGN THAT IS MEANT TO DISGUISE THE  
5 APPEARANCE OF THE ALTERNATIVE NICOTINE PRODUCT, INCLUDING THE SHAPE OR  
6 DESIGN ~~[OR]~~ [OF] ANY OF THE FOLLOWING:  
7 (a) A SCHOOL OR OFFICE SUPPLY.  
8 (b) A SMART PHONE, SMART WATCH OR SMART PHONE OR SMART WATCH CASE.  
9 (c) HEADPHONES OR EAR BUDS.  
10 (d) ANY ITEM OF CLOTHING.  
11 (e) A BACKPACK.  
12 (f) A COSMETIC OR COSMETIC CONTAINER.  
13 (g) A TOY OR VIDEO GAME DEVICE.  
14 (h) A FOOD OR BEVERAGE PRODUCT.  
15 B. ALTERNATIVE NICOTINE PRODUCTS SOLD OR OFFERED FOR SALE IN  
16 VIOLATION OF THIS SECTION ~~{{ARE}}~~ {{MAY BE}} DEEMED CONTRABAND AND  
17 ~~{{SUBJECT TO SEIZURE AND DESTRUCTION OR DISPOSAL}}~~ {{SEIZED AS EVIDENCE IN  
18 A CRIMINAL PROCEEDING UNDER THIS SECTION. ON ADJUDICATION OF THE CRIMINAL  
19 PROCEEDING, THE COURT SHALL ORDER ALTERNATIVE NICOTINE PRODUCTS THAT ARE  
20 DEEMED CONTRABAND TO BE DESTROYED AS A TERM OF THE DISPOSITION OF THE  
21 CRIMINAL PROCEEDING.  
22 C. A VIOLATION OF THIS SECTION IS A CLASS 3 MISDEMEANOR.}}  
23 ~~[4-405]~~ [4-404]. Sale of alternative nicotine products;  
24 identification requirements  
25 A. IF A RETAILER [OF ALTERNATIVE NICOTINE PRODUCTS] OR ANY OTHER  
26 PERSON QUESTIONS OR HAS REASON TO QUESTION THAT THE PERSON PURCHASING,  
27 ATTEMPTING TO PURCHASE OR OTHERWISE PROCURING OR ATTEMPTING TO PROCURE AN  
28 ALTERNATIVE NICOTINE [PRODUCTS] [PRODUCT] IS UNDER TWENTY-ONE YEARS OF  
29 AGE, THE RETAILER [OF {{THE}} ALTERNATIVE NICOTINE {{PRODUCTS}}  
30 {{PRODUCT}}] OR OTHER PERSON SHALL DO ALL OF THE FOLLOWING:  
31 1. DEMAND IDENTIFICATION FROM THE PERSON.  
32 2. EXAMINE THE IDENTIFICATION TO DETERMINE THAT THE IDENTIFICATION  
33 REASONABLY APPEARS TO BE A VALID, UNALTERED IDENTIFICATION THAT HAS NOT  
34 BEEN DEFACED.  
35 3. EXAMINE THE PHOTOGRAPH IN THE IDENTIFICATION AND DETERMINE THAT  
36 THE PERSON REASONABLY APPEARS TO BE THE SAME PERSON IN THE IDENTIFICATION.  
37 4. DETERMINE THAT THE DATE OF BIRTH IN THE IDENTIFICATION INDICATES  
38 ~~{{THAT}}~~ THE PERSON IS NOT UNDER TWENTY-ONE YEARS OF AGE.  
39 ~~{{5. SCAN THE PERSON'S IDENTIFICATION USING AN ELECTRONIC SCANNING~~  
40 ~~DEVICE.}}~~  
41 B. THE FOLLOWING WRITTEN INSTRUMENTS CONSTITUTE THE ONLY  
42 IDENTIFICATION THAT IS ACCEPTABLE UNDER SUBSECTION A OF THIS SECTION:  
43 1. AN UNEXPIRED DRIVER LICENSE ISSUED BY THIS STATE. A DRIVER  
44 LICENSE THAT IS ISSUED TO A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE  
45 DOES NOT CONSTITUTE ACCEPTABLE IDENTIFICATION THIRTY DAYS AFTER THE PERSON  
46 REACHES TWENTY-ONE YEARS OF AGE.  
47 2. AN UNEXPIRED DRIVER LICENSE ISSUED BY ANY OTHER STATE, THE  
48 DISTRICT OF COLUMBIA, ANY TERRITORY OF THE UNITED STATES OR CANADA IF THE  
49 LICENSE INCLUDES A PICTURE OF THE PERSON AND THE PERSON'S DATE OF BIRTH.

1 3. AN UNEXPIRED NONOPERATING IDENTIFICATION LICENSE ISSUED PURSUANT  
2 TO SECTION 28-3165. AN UNEXPIRED NONOPERATING IDENTIFICATION LICENSE THAT  
3 IS ISSUED TO A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE DOES NOT  
4 CONSTITUTE ACCEPTABLE IDENTIFICATION THIRTY DAYS AFTER THE PERSON REACHES  
5 TWENTY-ONE YEARS OF AGE.

6 4. A FORM OF IDENTIFICATION LICENSE ISSUED BY ANY OTHER STATE, THE  
7 DISTRICT OF COLUMBIA, ANY TERRITORY OF THE UNITED STATES OR CANADA IF THE  
8 LICENSE IS SUBSTANTIALLY EQUIVALENT TO A NONOPERATING IDENTIFICATION  
9 LICENSE ISSUED PURSUANT TO SECTION 28-3165 AND INCLUDES A PICTURE OF THE  
10 PERSON AND THE PERSON'S DATE OF BIRTH.

11 5. AN UNEXPIRED ARMED FORCES IDENTIFICATION CARD THAT INCLUDES THE  
12 PERSON'S PICTURE AND DATE OF BIRTH.

13 6. A VALID UNEXPIRED PASSPORT OR A VALID UNEXPIRED RESIDENT ALIEN  
14 CARD THAT CONTAINS A PHOTOGRAPH OF THE PERSON AND THE PERSON'S DATE OF  
15 BIRTH.

16 4-405. Grounds for revocation, suspension or refusal to renew

17 {{AFTER NOTICE AND A HEARING PURSUANT TO SECTION 4-210, SUBSECTION  
18 G, THE DIRECTOR MAY SUSPEND, REVOKE OR REFUSE TO RENEW ANY LICENSE ISSUED  
19 PURSUANT TO THIS CHAPTER FOR ANY OF THE FOLLOWING REASONS:

20 1. THE LICENSEE OR CONTROLLING PERSON VIOLATES OR FAILS TO COMPLY  
21 WITH THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS CHAPTER.

22 2. THE LICENSEE OR CONTROLLING PERSON KNOWINGLY FILES WITH THE  
23 DEPARTMENT AN APPLICATION OR OTHER DOCUMENT THAT CONTAINS MATERIAL  
24 INFORMATION THAT IS FALSE OR MISLEADING OR WHILE UNDER OATH KNOWINGLY  
25 GIVES TESTIMONY IN AN INVESTIGATION OR OTHER PROCEEDING UNDER THIS CHAPTER  
26 THAT IS FALSE OR MISLEADING.

27 3. THE LICENSED BUSINESS IS DELINQUENT FOR MORE THAN ONE HUNDRED  
28 TWENTY DAYS IN PAYING TAXES, PENALTIES OR INTEREST IN AN AMOUNT THAT  
29 EXCEEDS \$250 TO THIS STATE OR TO ANY POLITICAL SUBDIVISION OF THIS STATE.

30 4. THE LICENSEE OR CONTROLLING PERSON IS CONVICTED OF A FELONY,  
31 EXCEPT THAT FOR A CONVICTION OF A CORPORATION TO SERVE AS A REASON FOR ANY  
32 ACTION BY THE DIRECTOR, CONDUCT THAT CONSTITUTES THE CORPORATE OFFENSE AND  
33 THAT WAS THE BASIS FOR THE FELONY CONVICTION MUST HAVE BEEN ENGAGED IN,  
34 AUTHORIZED, SOLICITED, COMMANDED OR RECKLESSLY TOLERATED BY THE DIRECTORS  
35 OF THE CORPORATION OR BY A HIGH MANAGERIAL AGENT ACTING WITHIN THE SCOPE  
36 OF EMPLOYMENT.

37 5. THE LICENSEE MARKETS, ADVERTISES, SELLS OR CAUSES TO BE SOLD AN  
38 ALTERNATIVE NICOTINE PRODUCT IN VIOLATION OF SECTION 4-403.}}

39 Sec. 9. Section 13-3622, Arizona Revised Statutes, is amended to  
40 read:

41 13-3622. Tobacco products, alternative nicotine products or  
42 tobacco and shisha instruments and paraphernalia;  
43 furnishing to underage persons; accepting,  
44 receiving or illegally obtaining by underage  
45 person; classification; definitions

46 A. A person who knowingly sells, gives or furnishes a tobacco  
47 product~~{{,}}~~ ~~a vapor product~~ [AN ALTERNATIVE NICOTINE PRODUCT] or any  
48 instrument or paraphernalia that is solely designed for smoking or  
49 ingesting tobacco PRODUCTS or shisha, including a hookah or waterpipe, to

1 a person who is under twenty-one years of age is guilty of a petty  
2 offense.

3 B. Except as provided in section 36-798.07, a person who is under  
4 twenty-one years of age and who buys, or has in the person's possession or  
5 knowingly accepts or receives from any person, a tobacco product ~~{{.}}~~  
6 ~~a vapor product~~ [AN ALTERNATIVE NICOTINE PRODUCT] or any instrument or  
7 paraphernalia that is solely designed for smoking or ingesting tobacco  
8 PRODUCTS or shisha, including a hookah or waterpipe, is guilty of a petty  
9 offense, and if the offense involves any instrument or paraphernalia that  
10 is solely designed for smoking or ingesting tobacco PRODUCTS or shisha,  
11 shall pay a fine of at least \$100 or perform at least thirty hours of  
12 community restitution.

13 C. A person who is under twenty-one years of age AND who  
14 misrepresents the person's age to another person by means of a written  
15 instrument of identification with the intent to induce the other person to  
16 sell, give or furnish a tobacco product ~~{{.}}~~ ~~a vapor product~~ [AN  
17 ALTERNATIVE NICOTINE PRODUCT] or any instrument or paraphernalia that is  
18 solely designed for smoking or ingesting tobacco PRODUCTS or shisha,  
19 including a hookah or waterpipe, in violation of subsection A or B of this  
20 section is guilty of a petty offense and, notwithstanding section 13-802,  
21 shall pay a fine of not more than \$500.

22 D. NOTWITHSTANDING SECTIONS 13-802 AND 13-803, THE COURT SHALL  
23 ORDER A PERSON WHO COMMITS A VIOLATION OF THIS SECTION OR AN ENTERPRISE  
24 THAT COMMITS A FIRST VIOLATION OF THIS SECTION TO ATTEND A COURT-APPROVED  
25 TOBACCO RETAILER EDUCATIONAL COURSE AND PAY A FINE OF AT LEAST \$500 BUT  
26 NOT MORE THAN \$750.

27 E. NOTWITHSTANDING SUBSECTION A OF THIS SECTION [AND SECTIONS  
28 13-802 AND 13-803]:

29 1. AN ENTERPRISE THAT COMMITS A SECOND VIOLATION OF THIS SECTION AT  
30 THE SAME LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS 3  
31 MISDEMEANOR AND:

32 (a) SHALL PAY A FINE OF AT LEAST \$2,000 BUT NOT MORE THAN \$3,000.

33 (b) SHALL ATTEND A COURT-APPROVED TOBACCO RETAILER EDUCATIONAL  
34 COURSE.

35 (c) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE  
36 COURT.

37 2. AN ENTERPRISE THAT COMMITS A THIRD VIOLATION OF THIS SECTION AT  
38 THE SAME LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS 1  
39 MISDEMEANOR AND:

40 (a) SHALL PAY A FINE OF AT LEAST \$10,000.

41 (b) SHALL ATTEND A COURT-APPROVED TOBACCO RETAILER EDUCATIONAL  
42 COURSE.

43 (c) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE  
44 COURT.

45 (d) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING TOBACCO  
46 PRODUCTS {{OR ALTERNATIVE NICOTINE PRODUCTS}} FOR A PERIOD OF ONE HUNDRED  
47 TWENTY DAYS.

48 3. AN ENTERPRISE THAT COMMITS A FOURTH OR SUBSEQUENT VIOLATION OF  
49 THIS SECTION AT THE SAME LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A  
50 CLASS 6 FELONY AND:

1 (a) SHALL PAY A FINE OF AT LEAST \$10,000.

2 (b) SHALL ATTEND A COURT-APPROVED TOBACCO RETAILER EDUCATIONAL  
3 COURSE.

4 (c) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE  
5 COURT.

6 (d) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING TOBACCO  
7 PRODUCTS ~~{OR ALTERNATIVE NICOTINE PRODUCTS}~~ FOR A PERIOD OF ONE YEAR.

8 4. AN ENTERPRISE THAT COMMITS A FOURTH OR SUBSEQUENT VIOLATION OF  
9 THIS SECTION AT THE SAME LOCATION WITHIN TWELVE MONTHS IS GUILTY OF A  
10 CLASS 5 FELONY AND:

11 (a) SHALL PAY A FINE OF AT LEAST \$10,000.

12 (b) SHALL ATTEND A COURT-APPROVED TOBACCO RETAILER EDUCATIONAL  
13 COURSE.

14 (c) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE  
15 COURT.

16 (d) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING TOBACCO  
17 PRODUCTS ~~{OR ALTERNATIVE NICOTINE PRODUCTS}~~ FOR A PERIOD OF ONE YEAR.

18 F. IF THE COURT ORDERS AN ENTERPRISE TO ATTEND A TOBACCO RETAILER  
19 EDUCATIONAL COURSE, EACH OWNER AND PERSON WHO SERVE IN MANAGERIAL  
20 POSITIONS AND AT LEAST ONE PERSON WHO SERVES IN A NONMANAGERIAL POSITION  
21 SHALL ATTEND THE COURSE.

22 ~~D.~~ G. This section does not apply to any of the following:

23 1. Cigars, cigarettes or cigarette papers, smoking or chewing  
24 tobacco or any instrument or paraphernalia that is solely designed for  
25 smoking or ingesting tobacco PRODUCTS or shisha, including a hookah or  
26 waterpipe, if it is used or intended to be used in connection with a bona  
27 fide practice of a religious belief and as an integral part of a religious  
28 or ceremonial exercise.

29 2. Any instrument or paraphernalia that is solely designed for  
30 smoking or ingesting tobacco PRODUCTS or shisha, including a hookah or  
31 waterpipe, that is given to or possessed by a person who is under  
32 twenty-one years of age if the instrument or paraphernalia was a gift or  
33 souvenir and is not used or intended to be used by the person who is under  
34 twenty-one years of age to smoke or ingest tobacco PRODUCTS or shisha.

35 ~~E.~~ H. For the purposes of this section:

36 1. "ALTERNATIVE NICOTINE PRODUCT" HAS THE SAME MEANING PRESCRIBED  
37 IN SECTION 4-101.

38 2. "NICOTINE" HAS THE SAME MEANING PRESCRIBED IN SECTION 4-101.]

39 ~~[1.]~~ [3.] "Shisha" includes any mixture of tobacco leaf and honey,  
40 molasses or dried fruit or any other sweetener.

41 ~~[2.]~~ [4.] "Tobacco product" means any of the following:

42 (a) Cigars.

43 (b) Cigarettes.

44 (c) Cigarette papers of any kind.

45 (d) Smoking tobacco of any kind.

46 (e) Chewing tobacco of any kind.

47 ~~3. "Vapor product":~~

48 ~~(a) Means a noncombustible tobacco-derived product containing~~  
49 ~~nicotine that employs a mechanical heating element, battery or circuit,~~

1 ~~regardless of shape or size, that can be used to heat a liquid nicotine~~  
2 ~~solution contained in cartridges.~~

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

6 Sec. 10. Section 36-798.07, Arizona Revised Statutes, is amended to  
7 read:

8 36-798.07. Possessing, accepting or receiving tobacco  
9 product, alternative nicotine product or tobacco  
10 or shisha instruments or paraphernalia; active  
11 military personnel under twenty-one years of  
12 age; definitions

13 A. A person who is at least eighteen years of age may possess,  
14 accept, receive or use a tobacco product, ~~[a vapor product,]~~ AN  
15 ALTERNATIVE NICOTINE PRODUCT or any instrument or paraphernalia that is  
16 solely designed for smoking or ingesting A tobacco PRODUCT or shisha as  
17 defined in section 13-3622, including a hookah or waterpipe, only if all  
18 of the following apply:

19 1. The person is currently serving as a member of the national  
20 guard, the United States armed forces reserves or the active component of  
21 the United States armed forces.

22 2. The use or possession of the tobacco product, ~~[THE vapor~~  
23 ~~product,]~~ THE ALTERNATIVE NICOTINE PRODUCT or any instrument or  
24 paraphernalia is allowed by the regulations and policies of the United  
25 States department of defense or the branch of the United States armed  
26 forces in which the person is serving.

27 3. The person holds a valid military identification card that is  
28 issued by the United States department of defense or the branch of the  
29 United States armed forces in which the person is serving.

30 B. This section does not apply to any person who is either:

31 1. No longer serving as a member of the national guard, the United  
32 States armed forces reserves or the active component of the United States  
33 armed forces.

34 2. Under eighteen years of age.

35 C. FOR THE PURPOSES OF THIS SECTION:

36 1. "ALTERNATIVE NICOTINE PRODUCT" HAS THE SAME MEANING PRESCRIBED  
37 IN SECTION 4-101.

38 ~~[2. "NICOTINE" HAS THE SAME MEANING PRESCRIBED IN SECTION 4-101.]~~

39 ~~[2.]~~ ~~[3.]~~ "TOBACCO PRODUCT" HAS THE SAME MEANING PRESCRIBED IN  
40 SECTION 13-3622.

41 Sec. 11. Effective date

42 ~~[A.]~~ Sections 4-401 and 4-402, Arizona Revised Statutes, as added  
43 by this act, ~~[become effective on the earlier of the following:~~

44 ~~1. From and after June 30, 2027 if the department of liquor~~  
45 ~~licenses and control adopts rules to implement this act and the state~~  
46 ~~liquor board determines that the compliance time frames are achievable.~~

47 ~~2. From and after December 31 2027.~~

Senate Amendments to H.B. 4001

1 ~~B. The department of liquor licenses and control shall notify the~~  
2 ~~director of the Arizona legislative council in writing on or before July~~  
3 ~~1, 2027 if the requirements of subsection A, paragraph 1 of this section~~  
4 ~~have been met] [are effective from and after December 31, 2027].~~

5 Enroll and engross to conform  
6 Amend title to conform

SHAWNNA BOLICK

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