An Act

ENROLLED HOUSE
BILL NO. 2710

By: Jackson and Pittman of the House

and

Anderson of the Senate

An Act relating to revenue and taxation; stating legislative findings; defining terms; prohibiting certain actions; clarifying applicability of section; specifying penalties; making penalties and remedies cumulative; providing for codification; providing an effective date; and declaring an emergency

SUBJECT: Cigarette products

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 380 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. It is hereby declared that the Oklahoma Legislature finds that the commercial use of cigarette rolling vending machines in this state has the potential to circumvent various requirements under Oklahoma law related to the manufacturing, marketing, sale and taxation of cigarettes. Such use is detrimental to the fiscal soundness of the state and to the public health.

B. As used in this section:

1. "Cigarette rolling vending machine" means a machine or device into which loose tobacco and cigarette tubes are placed that is capable of producing cigarettes; and

2. "Cigarette rolling vending machine operator" means any person who owns, leases, rents or otherwise has available for use a

cigarette rolling vending machine and makes such machine available for use by another person in a commercial setting in order to produce a cigarette.

C. Notwithstanding any other provision of law, the following shall be prohibited:

1. The use or possession of a cigarette rolling vending machine for commercial purposes, except as provided in paragraph 1 of subsection D of this section. A cigarette rolling vending machine located in a retail business for use, not sale, shall be considered to be used for commercial purposes;

2. The sale, resale, distribution, dispensing, or giving away to any other person in this state cigarettes produced by a cigarette rolling vending machine; or

3. Making a cigarette rolling vending machine available for use by customers of a retail business to produce cigarettes.

D. The provisions of this section shall not apply to:

1. Cigarette manufacturers who have obtained a current federal Manufacturer of Tobacco Products permit issued by the Alcohol Tobacco and Trade Bureau ("TTB") to operate as a cigarette manufacturer; or

2. A cigarette rolling vending machine in a location other than a retail business, which is exclusively for the personal use of an individual.

E. Any person who possesses or uses a cigarette rolling vending machine for commercial purposes in violation of this section is subject to the following penalties:

1. Revocation or termination of any license, permit, appointment or commission under Article 3, 3A, 3B, 3C, 4 or 4A of Title 68 of the Oklahoma Statutes;

2. Forfeiture and destruction of the cigarette rolling vending machine by the State of Oklahoma after notice and hearing; and

3. Imprisonment for not more than ninety (90) days or a fine not exceeding Five Thousand Dollars ($5,000.00), or a combination of both fine and imprisonment, in any action brought by the district

attorney in whose district the cigarette rolling vending machine is located, or by the Attorney General.

F. The remedies and penalties provided by this section are cumulative to each other and to the remedies or penalties available under all other laws of this state.

SECTION 2. This act shall become effective July 1, 2012.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 2nd day of May, 2012.

Presiding Officer of the House
of Representatives

Passed the Senate the 10th day of April, 2012.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 3rd

day of May, **20** 12,

at 1:40 **o'clock** P **M.**

By: Jessica R. Byers

Approved by the Governor of the State of Oklahoma the 8th **day of**

May, **20** 12, **at** 11:31 **o'clock** AM.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this

8th **day of** May, **20** 12,

at 1:33 **o'clock** P **M.**

By: Michelle R Day