

1 SB325  
2 211662-2  
3 By Senators Roberts and Livingston  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 11-MAR-21

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

10  
11 Relating to tobacco; to provide for the suspension  
12 or revocation of tobacco permits of tobacco retailers that  
13 fail to pay distributors for an invoiced purchase; to provide  
14 for the reinstatement of a tobacco permit in certain  
15 circumstances; and to require the Alabama Alcoholic Beverage  
16 Control Board to adopt rules.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Section 28-11-20 is added to the Code of  
19 Alabama 1975, to read as follows:

20 §28-11-20.

21 (a) (1) No manufacturer or distributor shall sell,  
22 offer to sell, or deliver any tobacco, tobacco products,  
23 electronic nicotine delivery systems, or alternative nicotine  
24 products to any retailer in this state for any consideration  
25 other than cash or on terms, nor shall any retailer of these  
26 products buy or accept delivery for any of these products for  
27 any consideration other than cash or on terms.

1           (2) If payment on an invoiced purchase is not  
2 received from the retailer when due or payment is returned for  
3 insufficient funds, the manufacturer or distributor, within 15  
4 business days, shall notify the board and the board shall  
5 promptly notify all licensed manufacturers and distributors in  
6 this state of the default in payment. Thereafter, no person  
7 shall sell any tobacco, tobacco products, electronic nicotine  
8 delivery systems, or alternative nicotine products to the  
9 retailer in default on any terms other than cash delivery,  
10 until otherwise authorized by the board. Under penalty of  
11 suspension of the permit, the retailer who is in default shall  
12 pay his or her obligation in full within 60 days from the date  
13 it became due. No permit shall be suspended or revoked without  
14 prior notice to the retailer and an opportunity for the  
15 retailer to be heard before the board.

16           (b) (1) Any retailer that fails to make timely and  
17 sufficient payment under subdivision (a) (2) may have his or  
18 her tobacco permit suspended for not more than 30 days for  
19 each offense. If the retailer repays his or her obligation  
20 prior to the end of the suspension period, he or she may pay a  
21 fee to be determined by the board for the early reinstatement  
22 of his or her permit.

23           (2) Each failure of a retailer to make payment for  
24 any default before the expiration period of suspension is a  
25 separate offense.

1           (3) The board may permanently revoke the tobacco  
2 permit of any retailer that is suspended for default in  
3 payment for more than six months in any 12-month period.

4           (c) The board may require a retailer that fails to  
5 make timely and sufficient payment under subdivision (a)(2) to  
6 make payment in cash for all tobacco, tobacco products,  
7 electronic nicotine delivery systems, or alternative nicotine  
8 products sold or delivered to him or her after the initial  
9 failure.

10           (d) The board shall adopt rules to implement and  
11 enforce this section.

12           Section 2. This act shall become effective on the  
13 first day of the third month following its passage and  
14 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate  
committee on Fiscal Responsibility and Economic  
Development..... 11-MAR-21

Read for the second time and placed on the calen-  
dar 1 amendment..... 18-MAR-21

Read for the third time and passed as amended .... 30-MAR-21

Yeas 29  
Nays 0

Patrick Harris,  
Secretary.