

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

1 SB325

2
3
4 ENROLLED, An Act,

5 Relating to tobacco; to provide for the suspension
6 or revocation of tobacco permits of tobacco retailers that
7 fail to pay distributors for an invoiced purchase; to provide
8 for the reinstatement of a tobacco permit in certain
9 circumstances; and to require the Alabama Alcoholic Beverage
10 Control Board to adopt rules.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

14 §28-11-20.

15 (a) (1) No manufacturer or distributor shall sell,
16 offer to sell, or deliver any tobacco, tobacco products,
17 electronic nicotine delivery systems, or alternative nicotine
18 products to any retailer in this state for any consideration
19 other than cash or on terms, nor shall any retailer of these
20 products buy or accept delivery for any of these products for
21 any consideration other than cash or on terms.

22 (2) If payment on an invoiced purchase is not
23 received from the retailer when due or payment is returned for
24 insufficient funds, the manufacturer or distributor, within 15
25 business days, shall notify the board and the board shall

1 promptly notify all licensed manufacturers and distributors in
2 this state of the default in payment. Thereafter, no person
3 shall sell any tobacco, tobacco products, electronic nicotine
4 delivery systems, or alternative nicotine products to the
5 retailer in default on any terms other than cash delivery,
6 until otherwise authorized by the board. Under penalty of
7 suspension of the permit, the retailer who is in default shall
8 pay his or her obligation in full within 60 days from the date
9 it became due. No permit shall be suspended or revoked without
10 prior notice to the retailer and an opportunity for the
11 retailer to be heard before the board.

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

19 (2) Each failure of a retailer to make payment for
20 any default before the expiration period of suspension is a
21 separate offense.

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

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

7 (d) The board shall adopt rules to implement and
8 enforce this section.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB325

Senate 30-MAR-21

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 27-APR-21

By: Senator Roberts