

SENATE BILL 842

C2

(5lr1975)

ENROLLED BILL

— Finance/Economic Matters —

Introduced by **Senator Beidle**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 ~~Other Tobacco Products and Electronic Smoking Devices – Seizure and~~
3 ~~Wholesaler License Record-Keeping Requirements~~

4 FOR the purpose of authorizing the Executive Director of the Alcohol, Tobacco, and
5 Cannabis Commission ~~or a peace officer~~ to seize ~~other tobacco products and~~ electronic
6 smoking devices that are sold or offered for sale in violation of certain provisions of
7 law without a warrant; establishing procedures for the return ~~and destruction~~ of
8 certain property seized by the Executive Director ~~or a peace officer~~; establishing ~~an~~
9 ~~electronic smoking devices wholesaler license and~~ certain record-keeping
10 requirements for electronic smoking devices ~~wholesalers~~ wholesaler distributors and
11 wholesaler importers; and generally relating to ~~other tobacco products and~~ electronic
12 smoking devices.

13 BY renumbering

14 Article – Business Regulation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Section 16.7–213.1
 2 to be Section 16.7–213.2
 3 Annotated Code of Maryland
 4 (2024 Replacement Volume)

5 BY repealing and reenacting, without amendments,
 6 Article – Business Regulation
 7 Section 16.7–101(a) and (f) through (h)
 8 Annotated Code of Maryland
 9 (2024 Replacement Volume)

10 BY adding to
 11 Article – Business Regulation
 12 Section ~~16.5–217.2, 16.7–101(f),~~ 16.7–213.1, ~~and~~ 16.7–213.3, and 16.7–213.4
 13 Annotated Code of Maryland
 14 (2024 Replacement Volume)

15 ~~BY repealing and reenacting, without amendments,~~
 16 ~~Article – Business Regulation~~
 17 ~~Section 16.7–101(a)~~
 18 ~~Annotated Code of Maryland~~
 19 ~~(2024 Replacement Volume)~~

20 BY repealing and reenacting, with amendments,
 21 Article – Business Regulation
 22 Section ~~16.7–101(d) and (f) through (l), 16.7–201, 16.7–202(a), 16.7–203(a), 16.7–204,~~
 23 ~~16.7–206, and 16.7–211(a) 16.7–203(a) and 16.7–204(a)~~
 24 Annotated Code of Maryland
 25 (2024 Replacement Volume)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 27 That Section(s) 16.7–213.1 of Article – Business Regulation of the Annotated Code of
 28 Maryland be renumbered to be Section(s) 16.7–213.2.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 30 as follows:

31 **Article – Business Regulation**

32 ~~16.5–217.2.~~

33 ~~(A) THE EXECUTIVE DIRECTOR OR A PEACE OFFICER MAY SEIZE OTHER~~
 34 ~~TOBACCO PRODUCTS THAT ARE SOLD OR OFFERED FOR SALE IN THE STATE IN~~
 35 ~~VIOLATION OF THIS TITLE WITHOUT A WARRANT.~~

1 ~~(B) (1) THE EXECUTIVE DIRECTOR OR PEACE OFFICER SHALL GIVE~~
2 ~~NOTICE OF A SEIZURE TO THE PERSON FROM WHOM THE PROPERTY IS SEIZED AT~~
3 ~~THE TIME OF SEIZURE.~~

4 ~~(2) A NOTICE OF SEIZURE SHALL STATE THE RIGHT OF THE OWNER~~
5 ~~OR OTHER INTERESTED PERSON TO FILE A CLAIM FOR RETURN OF THE SEIZED~~
6 ~~PROPERTY.~~

7 ~~(C) A PEACE OFFICER WHO SEIZES OTHER TOBACCO PRODUCTS UNDER~~
8 ~~SUBSECTION (A) OF THIS SECTION SHALL DELIVER THE SEIZED OTHER TOBACCO~~
9 ~~PRODUCTS TO THE EXECUTIVE DIRECTOR OR TAKE IT TO A LOCATION DESIGNATED~~
10 ~~BY THE EXECUTIVE DIRECTOR.~~

11 ~~(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE OWNER~~
12 ~~OR ANOTHER INTERESTED PERSON MAY FILE A CLAIM FOR RETURN OF THE~~
13 ~~PROPERTY WITH THE EXECUTIVE DIRECTOR WITHIN 30 DAYS AFTER THE SEIZURE~~
14 ~~OF THE PROPERTY.~~

15 ~~(2) A PERSON FORFEITS ANY INTEREST IN, RIGHT TO, OR TITLE TO~~
16 ~~THE OTHER TOBACCO PRODUCTS SEIZED FOR VIOLATION OF THIS TITLE IF THE~~
17 ~~PERSON FAILS TO TIMELY FILE A CLAIM FOR RETURN OF THE SEIZED PROPERTY~~
18 ~~WITHIN THE TIME ALLOWED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

19 ~~(E) SUBJECT TO SUBSECTION (F) OF THIS SECTION, IF A PERSON FILES A~~
20 ~~CLAIM FOR THE RETURN OF PROPERTY SEIZED UNDER SUBSECTION (A) OF THIS~~
21 ~~SECTION, THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE~~
22 ~~SHALL:~~

23 ~~(1) PROMPTLY ACT ON THE CLAIM AND HOLD AN INFORMAL HEARING;~~
24 ~~AND~~

25 ~~(2) UNLESS THE EXECUTIVE DIRECTOR OR THE EXECUTIVE~~
26 ~~DIRECTOR'S DESIGNEE HAS SATISFACTORY EVIDENCE THAT THE OWNER OR~~
27 ~~PERSON WAS NOT IN COMPLIANCE WITH ANY PROVISION OF THIS TITLE AT THE TIME~~
28 ~~OF SEIZURE, DIRECT RETURN OF THE SEIZED PROPERTY.~~

29 ~~(F) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE~~
30 ~~SHALL GRANT OR DENY THE CLAIM FOR RETURN OF SEIZED OTHER TOBACCO~~
31 ~~PRODUCTS BY MAILING THE OWNER OR PERSON A NOTICE OF FINAL~~
32 ~~DETERMINATION.~~

33 ~~(G) A PERSON WHO POSSESSED OR OFFERED FOR SALE OTHER TOBACCO~~
34 ~~PRODUCTS THAT ARE SEIZED UNDER THIS SECTION IS NOT RELIEVED FROM~~
35 ~~RESPONSIBILITY FOR:~~

1 ~~(1) ANY PENALTY UNDER THIS TITLE OR TITLE 16 OR TITLE 16.7 OF~~
2 ~~THIS ARTICLE; OR~~

3 ~~(2) REIMBURSEMENT OF THE COSTS OF TRANSPORTATION, STORAGE,~~
4 ~~OR DISPOSAL OF THE SEIZED PROPERTY.~~

5 ~~(H) (1) OTHER TOBACCO PRODUCTS SEIZED BY THE STATE UNDER THIS~~
6 ~~TITLE SHALL BE TRANSPORTED, STORED, AND DESTROYED IN COMPLIANCE WITH~~
7 ~~APPLICABLE LOCAL, STATE, AND FEDERAL LAW.~~

8 ~~(2) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S~~
9 ~~DESIGNEE SHALL KEEP A RECORD OF ALL PROPERTY DESTROYED UNDER THIS~~
10 ~~SUBSECTION THAT INCLUDES A DESCRIPTION OF:~~

11 ~~(I) THE NATURE OF THE PROPERTY;~~

12 ~~(II) THE QUANTITY OF THE PROPERTY;~~

13 ~~(III) THE REASON FOR THE SEIZURE OF THE PROPERTY; AND~~

14 ~~(IV) THE MANNER OF DESTRUCTION.~~

15 ~~(3) (I) THE EXECUTIVE DIRECTOR MAY IMPOSE AND COLLECT~~
16 ~~COSTS SUFFICIENT TO COVER TRANSPORTATION, STORAGE, AND DISPOSAL OF~~
17 ~~OTHER TOBACCO PRODUCTS SEIZED BY THE STATE UNDER THIS SECTION.~~

18 ~~(II) FAILURE TO PAY COSTS UNDER SUBPARAGRAPH (I) OF THIS~~
19 ~~PARAGRAPH SHALL BE CONSIDERED GROUNDS FOR DENIAL OR REVOCATION OF A~~
20 ~~LICENSE UNDER THIS TITLE.~~

21 ~~(4) (I) THE EXECUTIVE DIRECTOR MAY RECOVER, IN AN ACTION~~
22 ~~BROUGHT UNDER THIS SECTION, REASONABLE EXPENSES INCURRED IN~~
23 ~~INVESTIGATING AND PREPARING THE CASE, INCLUDING ATTORNEY'S FEES.~~

24 ~~(II) FAILURE TO PAY EXPENSES UNDER SUBPARAGRAPH (I) OF~~
25 ~~THIS PARAGRAPH SHALL BE CONSIDERED GROUNDS FOR DENIAL OR REVOCATION~~
26 ~~OF A LICENSE UNDER THIS TITLE.~~

27 ~~(5) (I) THE EXECUTIVE DIRECTOR SHALL POST A NOTICE OF EACH~~
28 ~~SEIZURE AND FORFEITURE ON THE COMMISSION'S WEBSITE FOR A PERIOD OF NOT~~
29 ~~LESS THAN 1 YEAR AFTER THE NOTICE OF SEIZURE UNDER SUBSECTION (B) OF THIS~~
30 ~~SECTION.~~

~~(H) NOTICE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:~~

~~1. A DESCRIPTION OF THE PROPERTY SEIZED;~~

~~2. THE REASON FOR THE SEIZURE; AND~~

~~3. THE TIME AND PLACE OF THE SEIZURE.~~

16.7–101.

(a) In this title the following words have the meanings indicated.

~~(d) “Electronic smoking devices manufacturer” means a person that:~~

~~(1) manufactures, mixes, or otherwise produces electronic smoking devices intended for sale in the State, including electronic smoking devices intended for sale in the United States through an importer; and~~

~~(2) (i) sells electronic smoking devices to a consumer, if the consumer purchases or orders the devices through the mail, a computer network, a telephonic network, or another electronic network, A LICENSED ELECTRONIC SMOKING DEVICES WHOLESALER, a licensed electronic smoking devices wholesaler distributor, or a licensed electronic smoking devices wholesaler importer in the State;~~

~~(ii) if the electronic smoking devices manufacturer also holds a license to act as an electronic smoking devices retailer or a vape shop vendor, sells electronic smoking devices in the same manner as a vape shop vendor to consumers located in the State; or~~

~~(iii) unless otherwise prohibited or restricted under local law, this article, or the Criminal Law Article, distributes sample electronic smoking devices to a licensed electronic smoking devices retailer or vape shop vendor.~~

~~(F) “ELECTRONIC SMOKING DEVICES WHOLESALER” MEANS A PERSON THAT:~~

~~(1) HOLDS ELECTRONIC SMOKING DEVICES FOR SALE TO ANOTHER PERSON FOR RESALE; OR~~

~~(2) SELLS ELECTRONIC SMOKING DEVICES TO ANOTHER PERSON FOR RESALE.~~

~~[(f)] (G) “Electronic smoking devices wholesaler distributor” means a person that:~~

1 (1) obtains at least 70% of its electronic smoking devices from a holder of
 2 an electronic smoking devices manufacturer license under this subtitle or a business entity
 3 located in the United States; and

4 (2) (i) holds electronic smoking devices for sale to another person for
 5 resale; or

6 (ii) sells electronic smoking devices to another person for resale.

7 ~~[(g)] (H)~~ “Electronic smoking devices wholesaler importer” means a person that:

8 (1) obtains at least 70% of its electronic smoking devices from a business
 9 entity located in a foreign country; and

10 (2) (i) holds electronic smoking devices for sale to another person for
 11 resale; or

12 (ii) sells electronic smoking devices to another person for resale.

13 ~~[(h)] (I)~~ “Executive Director” means the Executive Director of the Alcohol,
 14 Tobacco, and Cannabis Commission.

15 ~~[(i)] (J)~~ ~~“License” means:~~

16 ~~(1) a license issued by the Executive Director under § 16.7-203(a) of this~~
 17 ~~title to:~~

18 ~~(i) act as a licensed electronic smoking devices manufacturer;~~

19 ~~(II) ACT AS A LICENSED ELECTRONIC SMOKING DEVICES~~
 20 ~~WHOLESALE;~~

21 ~~[(ii)] (III) act as a licensed electronic smoking devices wholesaler~~
 22 ~~distributor; or~~

23 ~~[(iii)] (IV) act as a licensed electronic smoking devices wholesaler~~
 24 ~~importer; or~~

25 ~~(2) a license issued by the clerk under § 16.7-203(b) of this title to:~~

26 ~~(i) act as a licensed electronic smoking devices retailer; or~~

27 ~~(ii) act as a licensed vape shop vendor.~~

28 ~~[(j)] (K) “Sell” means to exchange or transfer, or to agree to exchange or~~
 29 ~~transfer, title or possession of property, in any manner or by any means, for consideration.~~

1 ~~[(k)] (L)~~ “Vape shop vendor” means an electronic smoking devices business that
 2 ~~sells electronic smoking devices and related accessories to consumers on the premises of its~~
 3 ~~place of business.~~

4 ~~[(l)] (M)~~ “Vaping liquid” means a liquid that:

5 ~~(1) consists of propylene glycol, vegetable glycerin, or other similar~~
 6 ~~substance;~~

7 ~~(2) may or may not contain natural or artificial flavors;~~

8 ~~(3) may or may not contain nicotine; and~~

9 ~~(4) converts to vapor intended for inhalation when heated in an electronic~~
 10 ~~device.~~

11 ~~16.7 201.~~

12 ~~(a) A person must hold an appropriate license before the person may act as:~~

13 ~~(1) an electronic smoking devices manufacturer;~~

14 ~~(2) an electronic smoking devices retailer;~~

15 ~~(3) AN ELECTRONIC SMOKING DEVICES WHOLESALER;~~

16 ~~[(3)] (4) an electronic smoking devices wholesaler distributor;~~

17 ~~[(4)] (5) an electronic smoking devices wholesaler importer; or~~

18 ~~[(5)] (6) a vape shop vendor.~~

19 ~~(b) A place of business in which a person acts as an electronic smoking devices~~
 20 ~~retailer or a vape shop vendor must hold an appropriate license.~~

21 ~~16.7 202.~~

22 ~~(a) (1) An applicant for a license to act as an electronic smoking devices~~
 23 ~~manufacturer, ELECTRONIC SMOKING DEVICES WHOLESALER, electronic smoking~~
 24 ~~devices wholesaler distributor, or electronic smoking devices wholesaler importer shall:~~

25 ~~(i) obtain an appropriate county license by submitting an~~
 26 ~~application to the Executive Director on the form and containing the information that the~~
 27 ~~Executive Director requires;~~

1 (ii) ~~indicate the licenses for which the applicant is applying; and~~

2 (iii) ~~except as provided in paragraph (2) of this subsection, pay to the~~
3 ~~Executive Director a fee of \$25 for each license for which the applicant applies.~~

4 ~~(2) An applicant for a license to act as an ELECTRONIC SMOKING~~
5 ~~DEVICES WHOLESALER, electronic smoking devices wholesaler distributor, or electronic~~
6 ~~smoking devices wholesaler importer shall pay to the Executive Director a fee of \$150.~~

7 ~~16.7-203.~~

8 ~~(a) The Executive Director shall issue an appropriate license to each applicant~~
9 ~~that meets the requirements of this subtitle for a license to act as an electronic smoking~~
10 ~~devices manufacturer, ELECTRONIC SMOKING DEVICES WHOLESALER, electronic~~
11 ~~smoking devices wholesaler distributor, or electronic smoking devices wholesaler importer.~~

12 16.7-204.

13 (a) An electronic smoking devices manufacturer license authorizes the licensee
14 to:

15 (1) sell electronic smoking devices to:

16 (i) a licensed electronic smoking devices wholesaler located in the
17 State;

18 (ii) an electronic smoking devices wholesaler or retailer located
19 outside the State if the electronic smoking devices may be sold lawfully in Maryland; **AND**

20 (iii) a licensed vape shop vendor; **[and**

21 (iv) a consumer if:

22 1. the licensee manufactured the devices; and

23 2. the consumer purchases or orders the devices through the
24 mail, a computer network, a telephonic network, or another electronic network; **]**

25 (2) if the electronic smoking devices manufacturer licensee also holds a
26 license to act as an electronic smoking devices retailer or a vape shop vendor, transfer
27 electronic smoking devices to inventory for sale under the retail license or vape shop license;
28 and

29 (3) except as otherwise prohibited or restricted under local law, this article,
30 or the Criminal Law Article, distribute electronic smoking devices products to a licensed
31 electronic smoking devices retailer or vape shop vendor.

1 ~~(b) An electronic smoking devices retailer license authorizes the licensee to:~~

2 ~~(1) sell electronic smoking devices to consumers;~~

3 ~~(2) buy electronic smoking devices from an **ELECTRONIC SMOKING**~~
4 ~~**DEVICES WHOLESALER**, electronic smoking devices wholesaler distributor, or electronic~~
5 ~~smoking devices wholesaler importer;~~

6 ~~(3) if the electronic smoking devices retailer licensee also holds a license to~~
7 ~~act as an electronic smoking devices manufacturer, sell at retail electronic smoking devices~~
8 ~~manufactured under the manufacturer license; and~~

9 ~~(4) except as otherwise prohibited or restricted under local law, this article,~~
10 ~~the Criminal Law Article, or § 24-305 of the Health General Article, distribute sample~~
11 ~~electronic smoking devices products to consumers in the State.~~

12 ~~(c) An **ELECTRONIC SMOKING DEVICES WHOLESALER LICENSE**, electronic~~
13 ~~smoking devices wholesaler distributor license, or electronic smoking devices wholesaler~~
14 ~~importer license authorizes the licensee to:~~

15 ~~(1) sell electronic smoking devices to electronic smoking devices retailers~~
16 ~~and vape shop vendors;~~

17 ~~(2) buy electronic smoking devices directly from an electronic smoking~~
18 ~~devices manufacturer and an **ELECTRONIC SMOKING DEVICES WHOLESALER**, electronic~~
19 ~~smoking devices wholesaler distributor, or electronic smoking devices wholesaler importer;~~

20 ~~(3) hold electronic smoking devices; and~~

21 ~~(4) sell electronic smoking devices to another licensed **ELECTRONIC**~~
22 ~~**SMOKING DEVICES WHOLESALER**, electronic smoking devices wholesaler distributor, or~~
23 ~~electronic smoking devices wholesaler importer.~~

24 ~~(d) A vape shop vendor license authorizes the licensee to:~~

25 ~~(1) sell electronic smoking devices as a vape shop vendor to consumers on~~
26 ~~the premises of the licensee's place of business;~~

27 ~~(2) if the vape shop vendor licensee also holds a license to act as an~~
28 ~~electronic smoking devices manufacturer, sell at retail on the vape shop vendor premises~~
29 ~~electronic smoking devices manufactured under the manufacturer license; and~~

30 ~~(3) buy electronic smoking devices from an electronic smoking devices~~
31 ~~manufacturer, **AN ELECTRONIC SMOKING DEVICES WHOLESALER**, an electronic~~

~~1 smoking devices wholesaler distributor, or an electronic smoking devices wholesaler
2 importer.~~

~~3 16.7-206.~~

~~4 (a) (1) A licensed electronic smoking devices retailer or a licensed vape shop
5 vendor may not assign the license.~~

~~6 (2) If a licensed **ELECTRONIC SMOKING DEVICES WHOLESALER**,
7 electronic smoking devices wholesaler distributor, or electronic smoking devices wholesaler
8 importer sells the licensee's electronic smoking devices business and pays to the Executive
9 Director a license assignment fee of \$10, the licensee may assign the license to the buyer of
10 the business if the buyer otherwise qualifies under this title for an electronic smoking
11 devices wholesaler's distributor or importer license.~~

~~12 (b) If the electronic smoking devices business of a licensee is transferred because
13 of bankruptcy, death, incompetency, receivership, or otherwise by operation of law, the
14 Executive Director shall transfer the license without charge to the new owner of the
15 licensee's business if the transferee otherwise qualifies under this title for the license being
16 transferred.~~

~~17 (c) (1) If a licensed **ELECTRONIC SMOKING DEVICES WHOLESALER**,
18 electronic smoking devices wholesaler distributor, or electronic smoking devices wholesaler
19 importer surrenders the license to the Executive Director and if no disciplinary proceedings
20 are pending against the licensee, the Executive Director shall refund a pro rata portion of
21 the license fee for the unexpired term of the license.~~

~~22 (2) A licensed electronic smoking devices retailer or a licensed vape shop
23 vendor is not allowed a refund for the unexpired term of the license.~~

~~24 16.7-211.~~

~~25 (a) A person may not act, attempt to act, or offer to act as an electronic smoking
26 devices manufacturer, an electronic smoking devices retailer, **AN ELECTRONIC SMOKING
27 DEVICES WHOLESALER**, an electronic smoking devices wholesaler distributor, an
28 electronic smoking devices wholesaler importer, or a vape shop vendor in the State unless
29 the person has an appropriate license.~~

~~30 16.7-213.1.~~

~~31 (A) **EACH ELECTRONIC SMOKING DEVICES WHOLESALER DISTRIBUTOR AND
32 ELECTRONIC SMOKING DEVICES WHOLESALER IMPORTER SHALL:**~~

~~33 (1) **RECEIVE AN INVOICE FOR EACH PURCHASE OF ELECTRONIC
34 SMOKING DEVICES;**~~

1 **(2) KEEP A RECORD OF ALL ELECTRONIC SMOKING DEVICES**
2 **RECEIVED, TO WHICH THE ELECTRONIC SMOKING DEVICES WHOLESALER**
3 **DISTRIBUTOR OR ELECTRONIC SMOKING DEVICES WHOLESALER IMPORTER SHALL**
4 **POST EACH DAY:**

5 **(I) THE INVOICE NUMBER;**

6 **(II) THE DATE OF RECEIPT;**

7 **(III) THE QUANTITY RECEIVED;**

8 **(IV) THE BRAND;**

9 **(V) THE MANUFACTURER; AND**

10 **(VI) THE NAME OF THE PERSON FROM WHOM THE ELECTRONIC**
11 **SMOKING DEVICES ARE RECEIVED;**

12 **(3) (I) KEEP A RECORD OF THE NAME AND ADDRESS OF EACH**
13 **ELECTRONIC SMOKING DEVICES RETAILER TO WHICH A SALE IS MADE; AND**

14 **(II) PREPARE FOR EACH SALE OF ELECTRONIC SMOKING**
15 **DEVICES TO A RETAILER AN INVOICE THAT SHOWS THE POLITICAL SUBDIVISION**
16 **WHERE THE RETAILER IS LOCATED; AND**

17 **(4) KEEP A COMPLETE AND ACCURATE RECORD OF EACH SALE OF**
18 **ELECTRONIC SMOKING DEVICES TO AN OUT-OF-STATE PERSON FOR RESALE TO**
19 **OUT-OF-STATE CONSUMERS.**

20 **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
21 **EACH ELECTRONIC SMOKING DEVICES WHOLESALER DISTRIBUTOR AND**
22 **ELECTRONIC SMOKING DEVICES WHOLESALER IMPORTER SHALL MAKE AN**
23 **INVENTORY RECORD EACH MONTH OF ALL ELECTRONIC SMOKING DEVICES ON THE**
24 **PREMISES OR UNDER THE CONTROL OF THE ELECTRONIC SMOKING DEVICES**
25 **WHOLESALER DISTRIBUTOR OR ELECTRONIC SMOKING DEVICES WHOLESALER**
26 **IMPORTER:**

27 **(I) AT THE BEGINNING OR END OF THE MONTH; OR**

28 **(II) ON ANOTHER SPECIFIC DAY OF THE MONTH, IF THE**
29 **ELECTRONIC SMOKING DEVICES WHOLESALER DISTRIBUTOR OR ELECTRONIC**
30 **SMOKING DEVICES WHOLESALER IMPORTER FINDS IT MORE PRACTICABLE TO TAKE**
31 **INVENTORY ON THAT DAY.**

1 **(2) ELECTRONIC SMOKING DEVICES TRANSFERRED TO RETAIL**
2 **STOCK BY WRITTEN MEMORANDUM NEED NOT BE INCLUDED IN THE INVENTORY**
3 **RECORD.**

4 **(C) EACH ELECTRONIC SMOKING DEVICES WHOLESALER DISTRIBUTOR AND**
5 **ELECTRONIC SMOKING DEVICES WHOLESALER IMPORTER SHALL:**

6 **(1) KEEP THE RECORDS REQUIRED BY THIS SECTION FOR 6 YEARS OR**
7 **FOR A SHORTER TIME SET BY THE EXECUTIVE DIRECTOR; AND**

8 **(2) ALLOW THE EXECUTIVE DIRECTOR TO EXAMINE THE RECORDS.**

9 **16.7-213.3.**

10 **(A) THE EXECUTIVE DIRECTOR ~~OR A PEACE OFFICER~~ MAY SEIZE**
11 **ELECTRONIC SMOKING DEVICES THAT ARE SOLD OR OFFERED FOR SALE IN THE**
12 **STATE IN VIOLATION OF THIS TITLE WITHOUT A WARRANT.**

13 **(B) (1) THE EXECUTIVE DIRECTOR ~~OR PEACE OFFICER~~ SHALL GIVE**
14 **NOTICE OF A SEIZURE TO THE PERSON FROM WHICH THE PROPERTY IS SEIZED AT**
15 **THE TIME OF SEIZURE.**

16 **(2) A NOTICE OF SEIZURE SHALL STATE THE RIGHT OF THE OWNER**
17 **OR OTHER INTERESTED PERSON TO FILE A CLAIM FOR RETURN OF THE SEIZED**
18 **PROPERTY.**

19 ~~**(C) A PEACE OFFICER WHO SEIZES ELECTRONIC SMOKING DEVICES UNDER**~~
20 ~~**SUBSECTION (A) OF THIS SECTION SHALL DELIVER THE SEIZED PROPERTY TO THE**~~
21 ~~**EXECUTIVE DIRECTOR OR TAKE IT TO A LOCATION DESIGNATED BY THE EXECUTIVE**~~
22 ~~**DIRECTOR.**~~

23 ~~**(D)**~~ **(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
24 **OWNER OR INTERESTED PERSON MAY FILE A CLAIM FOR RETURN OF THE PROPERTY**
25 **WITH THE EXECUTIVE DIRECTOR WITHIN 30 DAYS AFTER THE SEIZURE OF THE**
26 **PROPERTY.**

27 **(2) A PERSON FORFEITS ANY INTEREST IN, RIGHT TO, OR TITLE TO**
28 **THE ELECTRONIC SMOKING DEVICES SEIZED FOR VIOLATION OF THIS TITLE IF THE**
29 **PERSON FAILS TO TIMELY FILE A CLAIM FOR RETURN OF THE SEIZED PROPERTY**
30 **WITHIN THE TIME ALLOWED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

31 ~~**(E)**~~ **(D) SUBJECT TO SUBSECTION ~~(F)~~ (E) OF THIS SECTION, IF A PERSON**
32 **FILES A CLAIM FOR THE RETURN OF PROPERTY SEIZED UNDER SUBSECTION (A) OF**

1 THIS SECTION, THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S
2 DESIGNEE SHALL:

3 (1) ~~PROMPTLY~~ ACT ON THE CLAIM AND HOLD ~~AN INFORMAL A~~
4 HEARING IN ACCORDANCE WITH § 16.7-208 OF THIS SUBTITLE; AND

5 (2) UNLESS THE EXECUTIVE DIRECTOR OR THE EXECUTIVE
6 DIRECTOR'S DESIGNEE HAS SATISFACTORY EVIDENCE THAT THE OWNER OR
7 PERSON WAS NOT IN COMPLIANCE WITH ANY PROVISION OF THIS TITLE AT THE TIME
8 OF SEIZURE, DIRECT RETURN OF THE SEIZED PROPERTY.

9 ~~(F)~~ (E) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S
10 DESIGNEE SHALL GRANT OR DENY THE CLAIM FOR RETURN OF SEIZED ELECTRONIC
11 SMOKING DEVICES BY MAILING THE OWNER OR PERSON A NOTICE OF FINAL
12 DETERMINATION.

13 ~~(G)~~ (F) A PERSON WHO POSSESSED OR OFFERED FOR SALE ELECTRONIC
14 SMOKING DEVICES THAT ARE SEIZED UNDER THIS SECTION IS NOT RELIEVED FROM
15 RESPONSIBILITY FOR:

16 (1) ANY PENALTY UNDER THIS TITLE OR TITLE 16 OR TITLE 16.5 OF
17 THIS ARTICLE; OR

18 (2) REIMBURSEMENT OF THE COSTS OF TRANSPORTATION, STORAGE,
19 OR DISPOSAL OF THE SEIZED PROPERTY.

20 ~~(H) (1) ELECTRONIC SMOKING DEVICES SEIZED BY THE STATE UNDER~~
21 ~~THIS TITLE SHALL BE TRANSPORTED, STORED, AND DESTROYED IN COMPLIANCE~~
22 ~~WITH APPLICABLE LOCAL, STATE, AND FEDERAL LAW.~~

23 ~~(2) THE EXECUTIVE DIRECTOR, OR THE EXECUTIVE DIRECTOR'S~~
24 ~~DESIGNEE, SHALL KEEP A RECORD OF ALL PROPERTY DESTROYED UNDER THIS~~
25 ~~SUBSECTION THAT INCLUDES A DESCRIPTION OF:~~

26 ~~(I) THE NATURE OF THE PROPERTY;~~

27 ~~(II) THE QUANTITY OF THE PROPERTY;~~

28 ~~(III) THE REASON FOR THE SEIZURE OF THE PROPERTY; AND~~

29 ~~(IV) THE MANNER OF DESTRUCTION.~~

~~(3) (i) THE EXECUTIVE DIRECTOR MAY IMPOSE AND COLLECT COSTS SUFFICIENT TO COVER TRANSPORTATION, STORAGE, AND DISPOSAL OF ELECTRONIC SMOKING DEVICES SEIZED BY THE STATE UNDER THIS SECTION.~~

~~(H) FAILURE TO PAY COSTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE CONSIDERED GROUNDS FOR DENIAL OR REVOCATION OF A LICENSE UNDER THIS TITLE.~~

~~(4) (i) THE EXECUTIVE DIRECTOR MAY RECOVER, IN AN ACTION BROUGHT UNDER THIS SECTION, REASONABLE EXPENSES INCURRED IN INVESTIGATING AND PREPARING THE CASE, INCLUDING ATTORNEY'S FEES.~~

~~(H) FAILURE TO PAY EXPENSES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE CONSIDERED GROUNDS FOR DENIAL OR REVOCATION OF A LICENSE UNDER THIS TITLE.~~

~~(5) (i) THE EXECUTIVE DIRECTOR SHALL POST A NOTICE OF EACH SEIZURE AND FORFEITURE ON THE COMMISSION'S WEBSITE FOR A PERIOD OF NOT LESS THAN 1 YEAR AFTER THE NOTICE OF SEIZURE UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(H) NOTICE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE:~~

- ~~1. A DESCRIPTION OF THE PROPERTY SEIZED;~~
- ~~2. THE REASON FOR THE SEIZURE; AND~~
- ~~3. THE TIME AND PLACE OF THE SEIZURE.~~

16.7-213.4.

THE EXECUTIVE DIRECTOR MAY ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.