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## OLR Bill Analysis

sHB 7275

### ***AN ACT CONCERNING THE REGULATION OF CIGARETTES, ELECTRONIC NICOTINE DELIVERY SYSTEMS AND VAPOR PRODUCTS.***

#### **SUMMARY**

This bill makes various changes to state laws on cigarettes and e-cigarettes. Principally, the bill:

1. modifies the definition of “cigarettes” subject to the state’s cigarette tax and other laws to, among other things, explicitly include any roll, stick, or capsule of tobacco intended to be heated under ordinary conditions of use;
2. imposes restrictions and penalties on shipping and transporting electronic nicotine delivery systems and vapor products (e-cigarettes) that are similar to those that apply to cigarettes under existing law and makes any violation of these e-cigarette shipping and transporting provisions a Connecticut Unfair Trade Practices Act (CUTPA) violation;
3. specifically requires e-cigarette sellers to ask prospective buyers to present a driver’s license, passport, or identity (ID) card to verify that they are at least 21 years old and allows them to use electronic scanners to check a passport’s validity, just as current law allows them to for driver’s licenses and ID cards; and
4. increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor.

EFFECTIVE DATE: July 1, 2025

**§ 1 — CIGARETTES*****Definition***

The bill modifies the definition of “cigarette” under the cigarette tax law to generally align it with the definition in the tobacco master settlement agreement (MSA) law (the 1998 agreement between Connecticut and leading tobacco companies).

The cigarette tax law broadly defines a cigarette as a roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether the tobacco is flavored, adulterated, or mixed with any other ingredient. The roll must have a wrapper or cover made of paper or any other material, and a roll with a wrapper made of homogenized tobacco or natural leaf tobacco and that is a cigarette size of three pounds or less per thousand is also considered a cigarette and subject to the tax. If the wrapper is made entirely or mostly of tobacco and the roll weighs more than three pounds per thousand, it is excluded from the definition.

Under the bill, as under the MSA law, a “cigarette” is any product that contains nicotine, is intended to be burned or heated under ordinary use, and consists of or contains the following:

1. a paper-wrapped roll of tobacco or roll of tobacco wrapped in any substance not containing tobacco;
2. tobacco in any form that is functional in the product and is likely to be offered to or purchased by a customer as a cigarette because of its appearance, the type of tobacco in the filler, or its packaging or label; or
3. a roll of tobacco wrapped in any substance containing tobacco and likely to be offered to or purchased as a cigarette as described above.

As under current law, a roll that weighs over three pounds per thousand and has a wrapper made entirely or mostly of tobacco is excluded.

The bill explicitly includes a roll, stick, or capsule of tobacco,

regardless of its shape or size, that is generally intended to be heated. As under the current law, a roll is also considered a cigarette if it has a wrapper made of homogenized tobacco or natural leaf tobacco and is a cigarette size that weighs three pounds or less per thousand.

### ***Related Laws***

By modifying the definition of cigarette for purposes of the cigarette tax, the bill potentially expands the products subject to this tax (see BACKGROUND) and the existing restrictions on selling, giving, or delivering cigarettes to people under 21. It also potentially expands the distributors, retailers, and manufacturers subject to the existing laws and restrictions on selling cigarettes in Connecticut. This includes laws requiring:

1. anyone whose business includes selling cigarettes in Connecticut to have either a cigarette dealer's or cigarette distributor's license from the Department of Revenue Services (DRS),
2. those that intend to distribute cigarettes in Connecticut to have a cigarette distributor's license, and
3. tobacco product manufacturers to get and maintain a cigarette manufacturer's license and either (a) enter into and perform financial obligations under the tobacco settlement agreement or (b) pay into a qualified escrow account for each cigarette they sell in the state.

It also potentially expands the products that factor into the qualifying criteria for firefighter cancer relief benefits. By law, to qualify for the benefits, among other things, a firefighter must not have used cigarettes, as defined under the cigarette tax law, during the 15 years before the cancer diagnosis.

## **§§ 2 & 3 — E-CIGARETTES**

### ***Shipping and Transporting Restrictions (§ 2)***

The bill places restrictions on in-state shipping and transporting of e-cigarettes that are similar to those in law for cigarettes.

**Authorized Recipients.** Specifically, businesses may only ship or transport e-cigarettes to a (1) Department of Consumer Protection (DCP)-registered e-cigarette dealer or manufacturer or (2) government employee, officer, or agent acting within his or her official duties. The bill relatedly requires the DCP commissioner to publish on the department's website a list of each person that holds a dealer or manufacturer registration. It prohibits common or contract carriers or anyone else from knowingly delivering e-cigarettes to a residence or to someone in Connecticut they reasonably believe is not one of these authorized recipients.

**Packaging Requirement.** The bill requires e-cigarette sellers shipping or transporting e-cigarettes to these authorized recipients to plainly and visibly mark the packages when they do not ship them in their original container or wrapping. Specifically, the packages must state the following: "CONTAINS AN ELECTRONIC NICOTINE DELIVERY SYSTEM OR VAPOR PRODUCT - SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY." It also requires these sellers to make the deliveries conditional on the customer signing an acknowledgement of receipt and presenting proper proof of age.

The bill eliminates similar packaging and age verification requirements that currently apply to e-cigarette dealers selling and shipping e-cigarettes to in-state consumers.

**Seizure.** Under the bill, e-cigarettes shipped or transported in violation of these provisions are contraband and subject to confiscation, storage, and destruction. The shipper or transporter is liable for all confiscation, storage, and destruction costs.

**Penalties.** The bill makes a first violation of these provisions a class B misdemeanor, punishable by up to six months in prison, up to a \$1,000 fine, or both, and subsequent violations a class A misdemeanor, punishable by up to 364 days in prison, up to a \$2,000 fine, or both. The DRS commissioner may also impose a maximum civil penalty of \$10,000 for each violation, where each shipment or transport is a separate

offense.

The bill also deems a violation of these shipping and transporting provisions an unfair trade practice under CUTPA and allows the DCP commissioner to authorize the DRS commissioner to bring a related action.

### ***Age Verification Requirements (§ 3)***

***Proof of Age.*** Connecticut law makes it illegal to sell, give, or deliver e-cigarettes to a minor (under age 21) and requires sellers and their agents or employees to ask a prospective buyer who appears to be under age 30 for proper proof of age, in the form of a driver's license, valid passport, or ID card. Sellers are prohibited from selling an e-cigarette to someone who does not provide this proof.

The bill additionally requires sellers and their agents or employees to ask all prospective buyers to present a driver's license, passport, or ID card to prove that they are 21 or older. A similar requirement applies under existing law to cigarette and tobacco product purchases.

***Electronic Scanners.*** Existing law allows sellers to verify a prospective buyer's age by using an electronic scanner to check the validity of the buyer's driver's license or ID card. The bill additionally allows them to use these scanners to check a passport's validity. It makes various conforming changes to the electronic scanner laws, including:

1. barring the sale if the scan fails to match the information on the passport,
2. limiting the information that can be recorded and kept from a scan to the passport holder's name and birthdate and the passport's expiration date and identification number, and
3. allowing an affirmative defense in prosecutions for selling e-cigarettes to minors where the seller relied on a scan indicating a valid passport.

The same provisions apply to driver's licenses and ID cards under

existing law. The bill also eliminates a provision allowing sellers to use an electronic scanner to check the validity of documents other than driver's licenses and ID cards if they have a scannable bar code or magnetic strip.

By law, violators of these provisions are subject to a civil penalty of up to \$1,000.

***Fines for Underage Sales.*** The bill increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor to \$1,000 for each offense, rather than the current maximum fines of:

1. \$300 for a first offense,
2. \$750 for a second offense committed within 24 months of the first offense, and
3. \$1,000 for each subsequent offense committed within those same 24 months.

By law, the fines do not apply to anyone who sells, gives, or delivers e-cigarettes to, or receives them from, a minor who receives or delivers them (1) as an employee or (2) as part of a qualifying scientific study.

***Dealer Registration Suspension or Revocation.*** The bill authorizes the DCP commissioner to suspend or revoke an e-cigarette dealer's registration for violating any provision of these age verification laws.

## **BACKGROUND**

### ***Cigarette Tax***

The cigarette tax is 217.5 mills per cigarette or \$4.35 per pack of 20. The tax is reduced by 50% for "modified risk tobacco products," as determined by the U.S. Department of Health and Human Services secretary (CGS § 12-296). Modified risk tobacco products are tobacco products sold or distributed for use to reduce harm or the risk of tobacco-related disease associated with commercially marketed tobacco

products (21 U.S.C. § 387k).

### ***CUTPA***

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

### ***Legislative History***

The House referred the bill to the Judiciary Committee, which reported a substitute that eliminates provisions that (1) generally extend to tobacco products the existing restrictions on shipping and transporting cigarettes in the state and (2) make violations of these shipping and transporting restrictions for both cigarettes and tobacco products a CUTPA violation.

### ***Related Bill***

sHB 7181, favorably reported by the General Law and Judiciary committees, places similar restrictions on shipping and transporting e-cigarettes.

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 35    Nay 17    (04/24/2025)

Judiciary Committee

Joint Favorable Substitute

Yea 32    Nay 0    (05/20/2025)

