

Amendment No. 1017

Senate Amendment to Senate Bill No. 263	(BDR 32-700)
<b>Proposed by:</b> Senate Committee on Revenue and Economic Development	
<b>Amends:</b> Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 263 (§ 2).
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ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date	
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

BJF



Date: 5/28/2019

S.B. No. 263—Revises provisions relating to the regulation and taxation of certain vapor products and tobacco products. (BDR 32-700)





SENATE BILL NO. 263 ~~[SENATOR]~~ SENATORS RATTI, GANSERT, DONDERO LOOP AND PARKS

MARCH 12, 2019

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions relating to the regulation and taxation of certain vapor products, alternative nicotine products and tobacco products. (BDR 32-700)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to ~~taxation;~~ public health; requiring that certain vapor products and alternative nicotine products be taxed and regulated as other tobacco products; ~~establishing a license fee for retailers of cigarettes and other tobacco products and wholesale dealers of other tobacco products; requiring certain taxes imposed on vapor products to be used for certain programs related to tobacco prevention and control and public health; requiring a retail dealer of other tobacco products to submit certain taxes on vapor products to the Department of Taxation;~~ revising provisions related to the areas in which smoking is prohibited; revising provisions pertaining to the sale or distribution of cigarettes, cigarette paper, tobacco, products made or derived from tobacco, vapor products and alternative nicotine products to persons under the age of 18 years; providing penalties; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the Department of Taxation to regulate and collect a tax on cigarettes and other tobacco products. (Chapter 370 of NRS) Sections ~~4~~ 1.7 and 2 of this bill provide that certain alternative nicotine products and vapor products, including electronic cigarettes, cigars, cigarillos, pipes, hookahs, vape pens and similar products or devices and their components, are regulated and taxed as other tobacco products. Because this bill regulates and taxes such vapor products as other tobacco products, wholesale and retail dealers of those vapor products would be required to obtain a license from the Department and wholesale dealers of those vapor products would be required to ~~collect and~~ pay a tax of 30 percent of the wholesale price of those products. (NRS 370.445, 370.450)

~~Existing law requires retail dealers of cigarettes, retail dealers of other tobacco products and wholesale dealers of other tobacco products to obtain a license to sell cigarettes and other tobacco products. (NRS 370.080, 370.445) Sections 3 and 5 of this bill establish a fee for the~~

13 issuance of a license as a retail dealer of cigarettes or a license as a retail dealer or wholesale  
14 dealer of other tobacco products.

15 ~~Existing law requires the Department of Taxation to deposit the proceeds of the taxes on~~  
16 ~~other tobacco products with the State Treasurer for credit to the Account for the Tax on~~  
17 ~~Products Made From Tobacco, Other Than Cigarettes in the State General Fund. (NRS~~  
18 ~~370.500) Section 7 of this bill requires the State Controller, based on information provided by~~  
19 ~~the Department of Taxation, to distribute the proceeds of the tax on vapor products to the~~  
20 ~~county treasurer of a county in which a health district has been established and transfer those~~  
21 ~~proceeds for credit to the newly created Account for Public Health Improvement administered by~~  
22 ~~the Division of Public and Behavioral Health of the Department of Health and Human~~  
23 ~~Services for those areas for which a health district has not been established, in proportion to~~  
24 ~~the percentage of the population represented by each. Sections 9-11 of this bill require that a~~  
25 ~~health district and the Division use not less than 50 percent of the tax proceeds so received on~~  
26 ~~programs for tobacco prevention and treatment and not more than 50 percent of such tax~~  
27 ~~proceeds to address needs relating to public health. Sections 10 and 11 of this bill require each~~  
28 ~~health district to submit a report to the Division regarding the use of such tax proceeds by the~~  
29 ~~health district. Section 9 of this bill requires the Division to submit a report to the Director of~~  
30 ~~the Legislative Counsel Bureau regarding the use of such tax proceeds by the Division and by~~  
31 ~~the health districts in this State.~~

32 ~~Section 14 of this bill requires retail dealers of other tobacco products who, on July 1,~~  
33 ~~2019, possess vapor products which would have been subject to the tax imposed by this bill if~~  
34 ~~that tax were imposed before July 1, 2019, to collect and pay to the Department of Taxation~~  
35 ~~the tax that would have been owed on such vapor products if that tax were imposed before~~  
36 ~~July 1, 2019. Under section 14, a retail dealer who pays the tax in accordance with that section~~  
37 ~~is entitled to retain 0.25 percent of the taxes collected to cover the costs of collecting and~~  
38 ~~administering the tax.~~

39 ~~Sections 4, 6, 12 and 13 of this bill make conforming changes.]~~

40 The Nevada Clean Indoor Air Act was proposed by an initiative petition and  
41 approved by the voters at the 2006 General Election. The Act generally prohibits  
42 smoking tobacco within indoor places of employment, within school buildings and on  
43 school property, but allows smoking tobacco in certain areas or establishments. (NRS  
44 202.2483) Section 7.1 of this bill defines “smoking” and expressly applies the Nevada  
45 Clean Indoor Air Act to the use of an electronic smoking device.

46 Existing law prohibits a person from selling, distributing or offering to sell  
47 cigarettes, cigarette paper, tobacco of any description, products made or derived from  
48 tobacco, vapor products or alternative nicotine products to any person under the age of  
49 18 years. (NRS 202.2493) For the purposes of this prohibition, existing law defines  
50 “vapor products” to include only products containing nicotine that produce a vapor  
51 from nicotine in a solution or other form. (NRS 202.2485) Section 7.3 of this bill extends  
52 this definition to include products containing other substances, the use or inhalation of  
53 which simulates smoking, and certain associated devices and components.

54 Under existing law, a person who sells, distributes or offers to sell cigarettes,  
55 cigarette paper, tobacco of any description, products made or derived from tobacco,  
56 vapor products or alternative nicotine products to a person under the age of 18 years is  
57 punished by a criminal fine of not more than \$500 and a civil penalty of not more than  
58 \$500. (NRS 202.2493) Sections 1 and 7.5 of this bill: (1) remove the criminal penalties for  
59 violating this prohibition and, instead, authorize the Department to impose a civil  
60 penalty on a person who sells, distributes or offers to sell cigarettes, cigarette paper,  
61 tobacco of any description, products made or derived from tobacco, vapor products and  
62 alternative nicotine products to a person under the age of 18 years; (2) revise the amount  
63 of such civil penalties; (3) authorize the imposition of penalties on a licensee whose  
64 employee or agent violates this prohibition; and (4) establishes the procedure for the  
65 issuance of a notice of infraction to a person who violates this prohibition and the  
66 requesting of a hearing before the Department. Sections 1.3, 7.4 and 7.9 make  
67 conforming changes related to the removal of criminal penalties and the authorization  
68 for the Department to impose civil penalties.

69 Existing law prohibits a person from knowingly selling or distributing cigarettes,  
70 cigarette paper, tobacco of any description or products made or derived from tobacco to  
71 a child under the age of 18 years through the use of the Internet. Existing law further

72 requires a person who sells or distributes such products through the use of the Internet  
 73 to adopt a policy to prevent a child under the age of 18 years from obtaining such  
 74 products from the person through the use of the Internet, which policy is required to  
 75 include: (1) a method to ensure that the person who delivers the products to obtain the  
 76 signature of a person who is over the age of 18 years; (2) a requirement that the  
 77 packaging or wrapping of the items when they are shipped is clearly marked with the  
 78 words "cigarettes" or the words "tobacco products;" and (3) a requirement to comply  
 79 with certain federal law relating to the remote sale of cigarettes and certain tobacco  
 80 products. (NRS 202.24935) Section 7.7 of this bill removes the requirement for such a  
 81 policy. Instead, section 7.7 requires a person who sells or distributes cigarettes, cigarette  
 82 paper, tobacco of any description, products made or derived from tobacco, vapor  
 83 products or alternative nicotine products through a computer network, telephonic  
 84 network or other electronic network to: (1) ensure that the packaging in which the items  
 85 are shipped is labeled "cigarettes" or "tobacco products;" and (2) use certain age  
 86 verification procedures.

87 Section 14.5 of this bill makes an appropriation to the Department of Health and  
 88 Human Services for programs to control and prevent the use of tobacco in the amount of  
 89 \$2.5 million for Fiscal Year 2019-2020 and \$2.5 million for Fiscal Year 2020-2021.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Chapter 370 of NRS is hereby amended by adding thereto a  
 2 new section to read as follows:

3 1. Except as otherwise provided in subsections 2 and 3, a person shall not  
 4 sell, distribute or offer to sell cigarettes, cigarette paper or other tobacco products  
 5 to any child under the age of 18 years.

6 2. A person shall be deemed to be in compliance with the provisions of  
 7 subsection 1 if, before the person sells, distributes or offers to sell to another,  
 8 cigarettes, cigarette paper or other tobacco products, the person:

9 (a) Demands that the other person present a valid driver's license,  
 10 permanent resident card, tribal identification card or other written or  
 11 documentary evidence which shows that the other person is 18 years of age or  
 12 older;

13 (b) Is presented a valid driver's license, permanent resident card, tribal  
 14 identification card or other written or documentary evidence which shows that  
 15 the other person is 18 years of age or older; and

16 (c) Reasonably relies upon the driver's license, permanent resident card,  
 17 tribal identification card or other written or documentary evidence presented by  
 18 the other person.

19 3. The employer of a child who is under 18 years of age may, for the  
 20 purpose of allowing the child to handle or transport cigarettes, cigarette paper or  
 21 other tobacco products, in the course of the child's lawful employment, provide  
 22 cigarettes, cigarette paper or other tobacco products to the child.

23 4. A person who violates this section is liable for a civil penalty of:

24 (a) For the first violation within a 24-month period, \$100.

25 (b) For the second violation within a 24-month period, \$250.

26 (c) For the third and any subsequent violation within a 24-month period,  
 27 \$500.

28 5. If an employee or agent of a licensee has violated this section:

29 (a) For the first and second violation within a 24-month period at the same  
 30 premises, the licensee must be issued a warning.

1 (b) For the third violation within a 24-month period at the same premises,  
 2 the licensee is liable for a civil penalty of \$500.

3 (c) For the fourth violation within a 24-month period at the same premises,  
 4 the licensee is liable for a civil penalty of \$1,250.

5 (d) For the fifth and any subsequent violation within a 24-month period at  
 6 the same premises, the licensee is liable for a civil penalty of \$2,500.

7 6. A peace officer or any person performing an inspection pursuant to NRS  
 8 202.2496 may issue a notice of infraction for a violation of this section. A notice  
 9 of infraction must be issued on a form prescribed by the Department and must  
 10 contain:

11 (a) The location at which the violation occurred;

12 (b) The date and time of the violation;

13 (c) The name of the establishment at which the violation occurred;

14 (d) The signature of the person who issued the notice of infraction;

15 (e) A copy of the section which allegedly is being violated;

16 (f) Information advising the person to whom the notice of infraction is issued  
 17 of the manner in which, and the time within which, the person must submit an  
 18 answer to the notice of infraction; and

19 (g) Such other pertinent information as the peace officer or person  
 20 performing the inspection pursuant to NRS 202.2496 determines is necessary.

21 7. A notice of infraction issued pursuant to subsection 6 or a facsimile  
 22 thereof must be filed with the Department and retained by the Department and is  
 23 deemed to be a public record of matters which are observed pursuant to a duty  
 24 imposed by law and is prima facie evidence of the facts alleged in the notice.

25 8. A person to whom a notice of infraction is issued pursuant to subsection  
 26 6 shall respond to the notice by:

27 (a) Admitting the violation stated in the notice and paying to the Department  
 28 the applicable civil penalty set forth in subsection 4 or 5.

29 (b) Denying liability for the infraction by notifying the Department and  
 30 requesting a hearing in the manner indicated on the notice of infraction. Upon  
 31 receipt of a request for a hearing pursuant to this paragraph, the Department  
 32 shall provide the person submitting the request an opportunity for a hearing  
 33 pursuant to chapter 233B of NRS.

34 9. Any money collected by the Department from a civil penalty pursuant to  
 35 this section must be deposited in a separate account in the State General Fund to  
 36 be used for the enforcement of this section and NRS 202.2493 and 202.2494.

37 10. As used in this section, "licensee" means a person who holds a license  
 38 issued by the Department pursuant to this chapter.

39 Sec. 1.3. NRS 370.001 is hereby amended to read as follows:

40 370.001 As used in NRS 370.001 to 370.430, inclusive, and 370.505 to  
 41 370.530, inclusive, and section 1 of this act, unless the context otherwise requires,  
 42 the words and terms defined in NRS 370.003 to 370.055, inclusive, have the  
 43 meanings ascribed to them in those sections.

44 ~~{Section 1.}~~ Sec. 1.7. NRS 370.0318 is hereby amended to read as follows:

45 370.0318 "Other tobacco product" means any tobacco of any description ~~{or}~~  
 46 , any vapor product , any alternative nicotine product or any product made from  
 47 tobacco, other than cigarettes ~~, or alternative nicotine products , and vapor~~  
 48 ~~products.~~

49 Sec. 2. NRS 370.054 is hereby amended to read as follows:

50 370.054 "Vapor product":

51 1. Means any noncombustible product containing nicotine or any other  
 52 substance that employs a heating element, power source, electronic circuit or other  
 53 electronic, chemical or mechanical means, regardless of the shape or size thereof,

1 that can be used to produce vapor from nicotine *or any other substance* in a  
2 solution or other form ~~[ ]~~, *the use or inhalation of which simulates smoking.*

3 2. Includes, without limitation :

4 (a) An ~~[an]~~ electronic cigarette, cigar, cigarillo, ~~[or]~~ pipe, *hookah, or vape*  
5 *pen, or a similar product or device ; and*

6 (b) ~~[A-the]~~ *The components of such a product or device, whether or not sold*  
7 *separately, including, without limitation, vapor ~~[cartridge] cartridges~~ or other*  
8 *container of nicotine or any other substance in a solution or other form that is*  
9 *intended to be used with or in an electronic cigarette, cigar, cigarillo, ~~[or]~~ pipe,*  
10 *hookah, or vape pen, or a similar product or device, ~~[containers,]~~ atomizers,*  
11 *~~[batteries,]~~ cartomizers, digital displays, clearomizers, tank systems, flavors,*  
12 *~~[and]~~ programmable software ~~[ ]~~ or other similar products or devices. As used in*  
13 *this ~~[subsection, ] paragraph,~~ "component" means a product intended primarily*  
14 *or exclusively to be used with or in an electronic cigarette, cigar, cigarillo, ~~[or]~~*  
15 *pipe, hookah, or vape pen, or a similar product or device.*

16 3. Does not include any product ~~[regulated]~~ :

17 (a) *Regulated* by the United States Food and Drug Administration pursuant to  
18 subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et  
19 seq.

20 (b) *Subject to the excise tax on marijuana or marijuana products pursuant to*  
21 *NRS 372A.200 to 372A.380, inclusive.*

22 (c) *Purchased by a person who holds a current, valid registration certificate*  
23 *to operate a medical marijuana establishment pursuant to chapter 453A of NRS.*

24 **Sec. 3.** ~~[NRS 370.150 is hereby amended to read as follows:~~

25 ~~— 370.150 1. Each license issued by the Department is valid only for the~~  
26 ~~calendar year for which it is issued, and must be renewed annually.~~

27 ~~— 2. The Department shall not charge any license fees for a manufacturer's [or~~  
28 ~~retail dealer's] license.~~

29 ~~— 3. An annual license fee of \$150 must be charged for each wholesale dealer's~~  
30 ~~license. If such a license is issued at any time during the year other than on January~~  
31 ~~1, except for the renewal of a delinquent license pursuant to subsection [5,] 6, the~~  
32 ~~licensee shall pay a proportionate part of the annual fee for the remainder of the~~  
33 ~~year, but not less than 25 percent of the annual license fee.~~

34 ~~— 4. An annual license fee of \$50 must be charged for each retail dealer's~~  
35 ~~license. If such a license is issued at any time during the year other than on~~  
36 ~~January 1, except for the renewal of a delinquent license pursuant to subsection~~  
37 ~~6, the licensee shall pay a proportionate part of the annual fee for the remainder~~  
38 ~~of the year, but not less than 25 percent of the annual license fee.~~

39 ~~— 5. The fees for a wholesale dealer's license or retail dealer's license are due~~  
40 ~~and payable on January 1 of each year. If the annual license fee is not paid by~~  
41 ~~January 15, the license is cancelled automatically.~~

42 ~~— [5.] 6. A wholesale dealer's license or retail dealer's license which is~~  
43 ~~cancelled for nonpayment of the annual license fee may be renewed at any time by~~  
44 ~~the payment of the fee plus a 5 percent penalty thereon. (Deleted by amendment.)~~

45 **Sec. 4.** ~~[NRS 370.440 is hereby amended to read as follows:~~

46 ~~— 370.440 As used in NRS 370.440 to 370.503, inclusive, unless the context~~  
47 ~~otherwise requires:~~

48 ~~— 1. "Alternative nicotine product" has the meaning ascribed to it in NRS~~  
49 ~~370.003.~~

50 ~~— 2. "Other tobacco product" has the meaning ascribed to it in NRS 370.0318.~~

51 ~~— 3. "Retail dealer" means any person who is engaged in selling other tobacco~~  
52 ~~products.~~

~~4. "Sale" means any transfer, exchange, barter, gift, offer for sale, or distribution for consideration of other tobacco products.~~

~~5. "Ultimate consumer" means a person who purchases one or more other tobacco products for his or her household or personal use and not for resale.~~

~~6. "Vapor product" has the meaning ascribed to it in NRS 370.054.~~

~~7. "Wholesale dealer" means any person who:~~

~~(a) Brings or causes to be brought into this State other tobacco products purchased from the manufacturer or a wholesale dealer and who stores, sells or otherwise disposes of such other tobacco products within this State;~~

~~(b) Manufactures or produces other tobacco products within this State and who sells or distributes such other tobacco products within this State to other wholesale dealers, retail dealers or ultimate consumers; or~~

~~(c) Purchases other tobacco products solely for the purpose of bona fide resale to retail dealers or to other persons for the purpose of resale only.~~

~~[7.] 8. "Wholesale price" means:~~

~~(a) Except as otherwise provided in paragraph (b), the established price for which other tobacco products are sold to a wholesale dealer before any discount or other reduction is made.~~

~~(b) For other tobacco products sold to a retail dealer or an ultimate consumer by a wholesale dealer described in paragraph (b) of subsection [6.] 7, the established price for which the other tobacco product is sold to the retail dealer or ultimate consumer before any discount or other reduction is made. (Deleted by amendment.)~~

**Sec. 5.** ~~[NRS 370.445 is hereby amended to read as follows:~~

~~370.445 1. The Department shall issue a license as a wholesale dealer or a license as a retail dealer to a person who submits a complete application on a form prescribed by the Department and who otherwise complies with the applicable provisions of this chapter and any regulations adopted by the Department. [The Department shall not charge any fee for the issuance of a license pursuant to this subsection.]~~

~~2. Except as otherwise provided in subsection 3, a person shall not engage in the business of a wholesale dealer or retail dealer in this State unless the person first obtains a license as a wholesale dealer or retail dealer from the Department. A person may be licensed as a wholesale dealer and as a retail dealer.~~

~~3. A person who wishes to engage in the business of a retail dealer is not required to obtain a license as a retail dealer pursuant to this section if the person is licensed as a retail cigarette dealer pursuant to NRS 370.001 to 370.430, inclusive.~~

~~4. The Department may refuse to issue or renew, or may suspend or revoke, a license issued pursuant to this section for any violation of the provisions of NRS 370.440 to 370.503, inclusive.~~

~~5. The Department may adopt regulations prescribing the form and contents of an application for, or which are otherwise necessary for the issuance of, a license pursuant to this section.~~

~~6. An annual license fee of \$650 must be charged for each license as a wholesale dealer. If such a license is issued at any time during the year other than on January 1, except for the renewal of a delinquent license pursuant to subsection 8, the licensee shall pay a proportionate part of the annual fee for the remainder of the year, but not less than 25 percent of the annual license fee.~~

~~7. An annual license fee of \$50 must be charged for each license as a retail dealer. If such a license is issued at any time during the year other than on January 1, except for the renewal of a delinquent license pursuant to subsection 8, the licensee shall pay a proportionate part of the annual fee for the remainder of the year, but not less than 25 percent of the annual license fee.~~



~~8. The fee for a license as a wholesale dealer or a retail dealer are due and payable on January 1 of each year. If the annual license fee is not paid by January 15, the license is cancelled automatically. A license as a wholesale dealer or retail dealer which is cancelled for nonpayment of the annual license fee may be renewed at any time by the payment of the fee plus a 5 percent penalty thereon.~~

~~9. Any person who violates any of the provisions of this section is guilty of a misdemeanor.] (Deleted by amendment.)~~

**Sec. 6.** ~~[NRS 370.465 is hereby amended to read as follows:~~

~~370.465 1. A wholesale dealer shall, not later than 20 days after the end of each month, submit to the Department a report on a form prescribed by the Department setting forth each sale of other tobacco products that the wholesale dealer made during the previous month. The wholesale dealer shall set forth sales of vapor products separately from sales of other tobacco products that are not vapor products.~~

~~2. Each report submitted pursuant to this section on or after August 20, 2001, must be accompanied by the tax owed pursuant to NRS 370.450 for other tobacco products that were sold by the wholesale dealer during the previous month.~~

~~3. The Department may impose a penalty on a wholesale dealer who violates any of the provisions of this section as follows:~~

~~(a) For the first violation within 7 years, a fine of \$1,000.~~

~~(b) For a second violation within 7 years, a fine of \$5,000.~~

~~(c) For a third or subsequent violation within 7 years, revocation of the license of the wholesale dealer.] (Deleted by amendment.)~~

**Sec. 7.** ~~[NRS 370.500 is hereby amended to read as follows:~~

~~370.500 1. All amounts of tax required to be paid to the State pursuant to NRS 370.440 to 370.490, inclusive, must be paid to the Department in the form of remittances payable to the Department.~~

~~2. The Department shall deposit these payments with the State Treasurer for credit to the Account for the Tax on Products Made From Tobacco, Other Than Cigarettes, in the State General Fund. Except as otherwise provided in subsection 4, the State Controller, acting upon the relevant information furnished by the Department, shall:~~

~~(a) Distribute monthly the taxes, interest and penalties which derive from the tax on vapor products required to be paid to the State pursuant to NRS 370.440 to 370.490, inclusive, to the county treasurer of each county in which a health district has been established pursuant to NRS 439.361 to 439.410, inclusive, and sections 10 and 11 of this act an amount equal to the percentage of the population of this State which resides in that county multiplied by the total amount of such taxes, interest and penalties paid for the previous month.~~

~~(b) Transfer monthly to the Account for Public Health Improvement created by section 9 of this act in the State General Fund the taxes, interest and penalties which derive from the tax on vapor products required to be paid to the State pursuant to NRS 370.440 to 370.490, inclusive, and which remain after the distribution made pursuant to paragraph (a).~~

~~3. For the purposes of subsection 2, the percentage of the population of this State that resides in a county must be determined according to the population figures most recently certified by the Governor pursuant to NRS 360.285.~~

~~4. If a health district is created pursuant to NRS 439.370 on or after July 1, 2019, the Division of Public and Behavioral Health of the Department of Health and Human Services must notify the Department of Taxation and the State Controller of the creation of the health district. Not later than 90 days after receiving the notification, the State Controller shall begin making the distribution~~

1 ~~required by paragraph (a) of subsection 2 to the county treasurer of the county in~~  
2 ~~which the health district has been established and shall reduce the transfer made~~  
3 ~~to the Account for Public Health Improvement pursuant to paragraph (b) of~~  
4 ~~subsection 2 by a corresponding amount.] (Deleted by amendment.)~~

5 **Sec. 7.1. NRS 202.2483 is hereby amended to read as follows:**

6 202.2483 1. Except as otherwise provided in subsection 3, smoking  
7 ~~tobacco~~ in any form is prohibited within indoor places of employment including,  
8 but not limited to, the following:

- 9 (a) Child care facilities;  
10 (b) Movie theatres;  
11 (c) Video arcades;  
12 (d) Government buildings and public places;  
13 (e) Malls and retail establishments;  
14 (f) All areas of grocery stores; and  
15 (g) All indoor areas within restaurants.

16 2. Without exception, smoking ~~tobacco~~ in any form is prohibited within  
17 school buildings and on school property.

18 3. Smoking ~~tobacco~~ is not prohibited in:

- 19 (a) Areas within casinos where loitering by minors is already prohibited by  
20 state law pursuant to NRS 463.350;  
21 (b) Completely enclosed areas with stand-alone bars, taverns and saloons in  
22 which patrons under 21 years of age are prohibited from entering;  
23 (c) Age-restricted stand-alone bars, taverns and saloons;  
24 (d) Strip clubs or brothels;  
25 (e) Retail tobacco stores;  
26 (f) The area of a convention facility in which a meeting or trade show is being  
27 held, during the time the meeting or trade show is occurring, if the meeting or trade  
28 show:

- 29 (1) Is not open to the public;  
30 (2) Is being produced or organized by a business relating to tobacco or a  
31 professional association for convenience stores; and  
32 (3) Involves the display of tobacco products; and

33 (g) Private residences, including private residences which may serve as an  
34 office workplace, except if used as a child care, an adult day care or a health care  
35 facility.

36 4. A supervisor on duty or employee of an age-restricted stand-alone bar,  
37 tavern or saloon or a stand-alone bar, tavern or saloon shall not allow a person who  
38 is under 21 years of age to loiter in an age-restricted stand-alone bar, tavern or  
39 saloon or an area of a stand-alone bar, tavern or saloon where smoking is allowed  
40 pursuant to this section. A person who violates the provisions of this subsection is  
41 guilty of a misdemeanor.

42 5. If a supervisor on duty or employee of an age-restricted stand-alone bar,  
43 tavern or saloon or a stand-alone bar, tavern or saloon violates the provisions of  
44 subsection 4, the age-restricted stand-alone bar, tavern or saloon or stand-alone bar,  
45 tavern or saloon is liable for a civil penalty of:

- 46 (a) For the first offense, \$1,000.  
47 (b) For a second or subsequent offense, \$2,000.

48 6. In any prosecution or other proceeding for a violation of the provisions of  
49 subsection 4 or 5, it is no excuse for a supervisor, employee, age-restricted bar,  
50 tavern or saloon, or stand-alone bar, tavern or saloon alleged to have committed the  
51 violation to plead that a supervisor or employee believed that the person who was  
52 permitted to loiter was 21 years of age or older.

1           7. In areas or establishments where smoking is not prohibited by this section,  
2 nothing in state law shall be construed to prohibit the owners of said establishments  
3 from voluntarily creating nonsmoking sections or designating the entire  
4 establishment as smoke free.

5           8. Nothing in state law shall be construed to restrict local control or otherwise  
6 prohibit a county, city or town from adopting and enforcing local ~~tobacco~~  
7 smoking control measures that meet or exceed the minimum applicable standards  
8 set forth in this section.

9           9. “No Smoking” signs or the international “No Smoking” symbol shall be  
10 clearly and conspicuously posted in every public place and place of employment  
11 where smoking is prohibited by this section. Each public place and place of  
12 employment where smoking is prohibited shall post, at every entrance, a  
13 conspicuous sign clearly stating that smoking is prohibited. All ashtrays and other  
14 smoking paraphernalia shall be removed from any area where smoking is  
15 prohibited.

16           10. Health authorities, police officers of cities or towns, sheriffs and their  
17 deputies shall, within their respective jurisdictions, enforce the provisions of this  
18 section and shall issue citations for violations of this section pursuant to NRS  
19 202.2492 and 202.24925.

20           11. No person or employer shall retaliate against an employee, applicant or  
21 customer for exercising any rights afforded by, or attempts to prosecute a violation  
22 of, this section.

23           12. For the purposes of this section, the following terms have the following  
24 definitions:

25           (a) “Age-restricted stand-alone bar, tavern or saloon” means an establishment:

26           (1) Devoted primarily to the sale of alcoholic beverages to be consumed on  
27 the premises;

28           (2) In which food service or sales may or may not be incidental food  
29 service or sales, in the discretion of the operator of the establishment;

30           (3) In which patrons under 21 years of age are prohibited at all times from  
31 entering the premises; and

32           (4) That must be located within:

33           (I) A physically independent building that does not share a common  
34 entryway or indoor area with a restaurant, public place or any other indoor  
35 workplace where smoking is prohibited by this section; or

36           (II) A completely enclosed area of a larger structure, which may  
37 include, without limitation, a strip mall or an airport, provided that indoor windows  
38 must remain closed at all times and doors must remain closed when not actively in  
39 use.

40           (b) “Casino” means an entity that contains a building or large room devoted to  
41 gambling games or wagering on a variety of events. A casino must possess a  
42 nonrestricted gaming license as described in NRS 463.0177 and typically uses the  
43 word ‘casino’ as part of its proper name.

44           (c) “Child care facility” has the meaning ascribed to it in NRS 441A.030.

45           (d) “Completely enclosed area” means an area that is enclosed on all sides by  
46 any combination of solid walls, windows or doors that extend from the floor to the  
47 ceiling.

48           (e) “Government building” means any building or office space owned or  
49 occupied by:

50           (1) Any component of the Nevada System of Higher Education and used  
51 for any purpose related to the System;

52           (2) The State of Nevada and used for any public purpose; or

1 (3) Any county, city, school district or other political subdivision of the  
2 State and used for any public purpose.

3 (f) "Health authority" has the meaning ascribed to it in NRS 202.2485.

4 (g) "Incidental food service or sales" means the service of prepackaged food  
5 items including, but not limited to, peanuts, popcorn, chips, pretzels or any other  
6 incidental food items that are exempt from food licensing requirements pursuant to  
7 subsection 2 of NRS 446.870.

8 (h) "Place of employment" means any enclosed area under the control of a  
9 public or private employer which employees frequent during the course of  
10 employment including, but not limited to, work areas, restrooms, hallways,  
11 employee lounges, cafeterias, conference and meeting rooms, lobbies and reception  
12 areas.

13 (i) "Public places" means any enclosed areas to which the public is invited or  
14 in which the public is permitted.

15 (j) "Restaurant" means a business which gives or offers for sale food, with or  
16 without alcoholic beverages, to the public, guests or employees, as well as kitchens  
17 and catering facilities in which food is prepared on the premises for serving  
18 elsewhere.

19 (k) "Retail tobacco store" means a retail store utilized primarily for the sale of  
20 tobacco products and accessories and in which the sale of other products is merely  
21 incidental.

22 (l) "School building" means all buildings on the grounds of any public school  
23 described in NRS 388.020 and any private school as defined in NRS 394.103.

24 (m) "School property" means the grounds of any public school described in  
25 NRS 388.020 and any private school as defined in NRS 394.103.

26 (n) "Smoking" means inhaling, exhaling, burning or carrying any liquid or  
27 heated cigar, cigarette or pipe or any other lighted or heated tobacco or plant  
28 product intended for inhalation, in any manner or in any form. The term  
29 includes the use of an electronic smoking device that creates an aerosol or vapor,  
30 in any manner or in any form, and the use of any oral smoking device. As used in  
31 this paragraph, "electronic smoking device":

32 (1) Means any product containing or delivering nicotine, a product made  
33 or derived from tobacco or any other substance intended for human consumption  
34 that can be used by a person to simulate smoking in the delivery of nicotine or  
35 any other substance through inhalation of vapor or aerosol from the product.

36 (2) Includes any component part of a product described in subparagraph  
37 (1), regardless of whether the component part is sold separately.

38 (3) Does not include any product regulated by the United States Food  
39 and Drug Administration pursuant to Subchapter V of the Federal Food, Drug,  
40 and Cosmetic Act, 21 U.S.C. §§ 352 et seq.

41 (o) "Stand-alone bar, tavern or saloon" means an establishment:

42 (1) Devoted primarily to the sale of alcoholic beverages to be consumed on  
43 the premises;

44 (2) In which food service or sales may or may not be incidental food  
45 service or sales, in the discretion of the operator of the establishment;

46 (3) In which smoke from such establishments does not infiltrate into areas  
47 where smoking is prohibited under the provisions of this section; and

48 (4) That must be housed in either:

49 (I) A physically independent building that does not share a common  
50 entryway or indoor area with a restaurant, public place or any other indoor  
51 workplaces where smoking is prohibited by this section; or

(II) A completely enclosed area of a larger structure, such as a strip mall or an airport, provided that indoor windows must remain shut at all times and doors must remain closed when not actively in use.

~~(p)~~ (p) “Video arcade” has the meaning ascribed to it in paragraph (d) of subsection 3 of NRS 453.3345.

13. Any statute or regulation inconsistent with this section is null and void.

14. The provisions of this section are severable. If any provision of this section or the application thereof is declared by a court of competent jurisdiction to be invalid or unconstitutional, such declaration shall not affect the validity of the section as a whole or any provision thereof other than the part declared to be invalid or unconstitutional.

**Sec. 7.3. NRS 202.2485 is hereby amended to read as follows:**

202.2485 As used in NRS 202.2485 to 202.2497, inclusive:

1. “Alternative nicotine product” means any noncombustible product containing nicotine that is intended for human consumption, whether chewed, absorbed, dissolved or ingested by any other means. The term does not include:

(a) A vapor product;

(b) A product made or derived from tobacco; or

(c) Any product regulated by the United States Food and Drug Administration under Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

2. “Distribute” includes furnishing, giving away or providing products made or derived from tobacco or samples thereof at no cost to promote the product, whether or not in combination with a sale.

3. “Health authority” means the district health officer in a district, or his or her designee, or, if none, the Chief Medical Officer, or his or her designee.

4. “Product made or derived from tobacco” does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

5. “Vapor product”:

(a) Means any noncombustible product containing nicotine or any other substance that employs a heating element, power source, electronic circuit or other electronic, chemical or mechanical means, regardless of the shape or size thereof, that can be used to produce vapor from nicotine or any other substance in a solution or other form, or, the use or inhalation of which simulates smoking.

(b) Includes, without limitation:

(1) An electronic cigarette, cigar, cigarillo, ~~or~~ pipe, hookah or vape pen or a similar product or device; and

(2) ~~The components of such a product or device, whether or not sold separately, including, without limitation,~~ vapor ~~cartridge~~ cartridges or other container of nicotine or any other substance in a solution or other form that is intended to be used with or in an electronic cigarette, cigar, cigarillo, ~~or~~ pipe, hookah, or vape pen, or a similar product or device ~~or~~ atomizers, cartomizers, digital displays, clearomizers, tank systems, flavors, programmable software or other similar products or devices. As used in this subparagraph, “component” means a product or device intended primarily or exclusively to be used with or in an electronic cigarette, cigar, cigarillo, pipe, hookah, or vape pen, or a similar product or device.

(c) Does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

**Sec. 7.4. NRS 202.249 is hereby amended to read as follows:**

1           202.249 1. It is the public policy of the State of Nevada and the purpose of  
2 NRS 202.2491, 202.24915 and 202.2492 to place restrictions on the smoking of  
3 tobacco in public places to protect human health and safety.

4           2. The quality of air is declared to be affected with the public interest and  
5 NRS 202.2491, 202.24915 and 202.2492 are enacted in the exercise of the police  
6 power of this state to protect the health, peace, safety and general welfare of its  
7 people.

8           3. Health authorities, police officers of cities or towns, sheriffs and their  
9 deputies and other peace officers of this state shall, within their respective  
10 jurisdictions, enforce the provisions of NRS 202.2491, 202.24915 and 202.2492.  
11 Police officers of cities or towns, sheriffs and their deputies and other peace officers  
12 of this state shall, within their respective jurisdictions, enforce the provisions of  
13 NRS 202.2493, 202.24935 and 202.2494 ~~and section 1 of this act.~~

14           4. Except as otherwise provided in subsection 5, an agency, board,  
15 commission or political subdivision of this state, including, without limitation, any  
16 agency, board, commission or governing body of a local government, shall not  
17 impose more stringent restrictions on the smoking, use, sale, distribution,  
18 marketing, display or promotion of tobacco or products made or derived from  
19 tobacco than are provided by NRS 202.2491, 202.24915, 202.2492, 202.2493,  
20 202.24935 and 202.2494 ~~and section 1 of this act.~~

21           5. A school district may, with respect to the property, buildings, facilities and  
22 vehicles of the school district, impose more stringent restrictions on the smoking,  
23 use, sale, distribution, marketing, display or promotion of tobacco or products made  
24 or derived from tobacco than are provided by NRS 202.2491, 202.24915, 202.2492,  
25 202.2493, 202.24935 and 202.2494 ~~and section 1 of this act.~~

26           **Sec. 7.5. NRS 202.2493 is hereby amended to read as follows:**

27           202.2493 1. A person shall not sell, distribute or offer to sell cigarettes, any  
28 smokeless product made or derived from tobacco or any alternative nicotine  
29 product in any form other than in an unopened package which originated with the  
30 manufacturer and bears any health warning required by federal law. A person who  
31 violates this subsection shall be punished by a fine of \$100 and a civil penalty of  
32 \$100. As used in this subsection, "smokeless product made or derived from  
33 tobacco" means any product that consists of cut, ground, powdered or leaf tobacco  
34 and is intended to be placed in the oral or nasal cavity.

35           2. ~~Except as otherwise provided in subsections 3, 4 and 5, it is unlawful for~~  
36 ~~any person to sell, distribute or offer to sell cigarettes, cigarette paper, tobacco of~~  
37 ~~any description, products made or derived from tobacco, vapor products or~~  
38 ~~alternative nicotine products to any child under the age of 18 years. A person who~~  
39 ~~violates this subsection shall be punished by a fine of not more than \$500 and a~~  
40 ~~civil penalty of not more than \$500.~~

41           ~~3. A person shall be deemed to be in compliance with the provisions of~~  
42 ~~subsection 2 if, before the person sells, distributes or offers to sell to another,~~  
43 ~~cigarettes, cigarette paper, tobacco of any description, products made or derived~~  
44 ~~from tobacco, vapor products or alternative nicotine products, the person:~~

45           ~~(a) Demands that the other person present a valid driver's license, permanent~~  
46 ~~resident card, tribal identification card or other written or documentary evidence~~  
47 ~~which shows that the other person is 18 years of age or older;~~

48           ~~(b) Is presented a valid driver's license, permanent resident card, tribal~~  
49 ~~identification card or other written or documentary evidence which shows that the~~  
50 ~~other person is 18 years of age or older; and~~

51           ~~(c) Reasonably relies upon the driver's license, permanent resident card, tribal~~  
52 ~~identification card or written or documentary evidence presented by the other~~  
53 ~~person.~~

~~4. The employer of a child who is under 18 years of age may, for the purpose of allowing the child to handle or transport tobacco, products made or derived from tobacco, vapor products or alternative nicotine products, in the course of the child's lawful employment, provide tobacco, products made or derived from tobacco, vapor products or alternative nicotine products to the child.~~

~~5. With respect to any sale made by an employee of a retail establishment, the owner of the retail establishment shall be deemed to be in compliance with the provisions of subsection 2 if the owner:~~

~~(a) Had no actual knowledge of the sale; and~~

~~(b) Establishes and carries out a continuing program of training for employees which is reasonably designed to prevent violations of subsection 2.~~

~~6. The owner of a retail establishment shall, whenever any product made or derived from tobacco, vapor product or alternative nicotine product is being sold or offered for sale at the establishment, display prominently at the point of sale:~~

~~(a) A notice indicating that:~~

~~(1) The sale of cigarettes, other tobacco products, vapor products and alternative nicotine products to minors is prohibited by law; and~~

~~(2) The retailer may ask for proof of age to comply with this prohibition;~~

~~and~~

~~(b) At least one sign that complies with the requirements of NRS 442.340.~~

~~↳ A person who violates this subsection shall be punished by a fine of not more than \$100.~~

~~7. 3. It is unlawful for any retailer to sell cigarettes through the use of any type of display:~~

~~(a) Which contains cigarettes and is located in any area to which customers are allowed access; and~~

~~(b) From which cigarettes are readily accessible to a customer without the assistance of the retailer,~~

~~↳ except a vending machine used in compliance with NRS 202.2494. A person who violates this subsection shall be punished by a fine of not more than \$500.~~

~~8. Any money recovered pursuant to this section as a civil penalty must be deposited in a separate account in the State General Fund to be used for the enforcement of this section and NRS 202.2494.]~~

**Sec. 7.7. NRS 202.24935 is hereby amended to read as follows:**

202.24935 1. It is unlawful for a person to knowingly sell or distribute cigarettes, cigarette paper, tobacco of any description, ~~for~~ vapor products or alternative nicotine products to a child under the age of 18 years through the use of ~~the Internet,~~ a computer network, telephonic network or other electronic network.

2. A person who violates the provisions of subsection 1 shall be punished by a fine of not more than \$500 and a civil penalty of not more than \$500. Any money recovered pursuant to this section as a civil penalty must be deposited in the same manner as money is deposited pursuant to subsection ~~8] 9 of [NRS 202.2493.]~~ section 1 of this act.

3. Every person who sells or distributes cigarettes, cigarette paper, tobacco of any description, ~~for~~ vapor products or alternative nicotine products through the use of ~~the Internet,~~ a computer network, telephonic network or electronic network shall ~~adopt a policy to prevent a child under the age of 18 years from obtaining cigarettes, cigarette paper, tobacco of any description or products made or derived from tobacco from the person through the use of the Internet. The policy must include, without limitation, a method for ensuring];~~

1 (a) Ensure that ~~the person who delivers such items obtains the signature of a~~  
 2 ~~person who is over the age of 18 years when delivering the items, that~~ the  
 3 packaging or wrapping of the items when they are shipped is clearly marked with  
 4 the word “cigarettes” or if the item being shipped are not cigarettes, the words  
 5 “tobacco products.” ~~and that the person complies with the provisions of 15~~  
 6 ~~U.S.C. § 376. A person who fails to adopt a policy pursuant to this subsection is~~  
 7 ~~guilty of a misdemeanor and shall be punished by a fine of not more than \$500.]~~

8 (b) Perform an age verification through an independent, third-party age  
 9 verification service that compares information available from public records to  
 10 the personal information entered by the person during the ordering process that  
 11 establishes that the person is over the age of 18 years and use a method of mail,  
 12 shipping or delivery that requires the signature of a person over the age of 18  
 13 years before the items are released to the purchaser, unless the person:

14 (1) Requires the customer to:

15 (I) Create an online profile or account with personal information,  
 16 including, without limitation, a name, address, social security number and a valid  
 17 phone number, that is verified through publicly available records; or

18 (II) Upload a copy of a government-issued identification card that  
 19 includes a photograph of the customer; and

20 (2) Sends the package containing the items to the name and address of  
 21 the customer who ordered the items.

22 **Sec. 7.9. NRS 202.2496 is hereby amended to read as follows:**

23 202.2496 1. As necessary to comply with any applicable federal law, the  
 24 Attorney General shall conduct random, unannounced inspections at locations  
 25 where tobacco, products made or derived from tobacco, vapor products and  
 26 alternative nicotine products are sold, distributed or offered for sale to inspect for  
 27 and enforce compliance with NRS 202.2493 and 202.2494 ~~and~~ and section 1 of this  
 28 act, as applicable. For assistance in conducting any such inspection, the Attorney  
 29 General may contract with:

30 (a) Any sheriff’s department;

31 (b) Any police department; or

32 (c) Any other person who will, in the opinion of the Attorney General, perform  
 33 the inspection in a fair and impartial manner.

34 2. If the inspector desires to enlist the assistance of a child under the age of 18  
 35 for such an inspection, the inspector shall obtain the written consent of the child’s  
 36 parent for such assistance.

37 3. A child assisting in an inspection pursuant to this section shall, if  
 38 questioned about his or her age, state his or her true age and that he or she is under  
 39 18 years of age.

40 4. If a child is assisting in an inspection pursuant to this section, the person  
 41 supervising the inspection shall:

42 (a) Refrain from altering or attempting to alter the child’s appearance to make  
 43 the child appear to be 18 years of age or older.

44 (b) Photograph the child immediately before the inspection is to occur and  
 45 retain any photographs taken of the child pursuant to this paragraph.

46 5. The person supervising an inspection using the assistance of a child shall,  
 47 within a reasonable time after the inspection is completed:

48 (a) Inform a representative of the business establishment from which the child  
 49 attempted to purchase tobacco, products made or derived from tobacco, vapor  
 50 products or alternative nicotine products that an inspection has been performed and  
 51 the results of that inspection.

52 (b) Prepare a report regarding the inspection. The report must include the  
 53 following information:



1 (1) The name of the person who supervised the inspection and that  
2 person's position;

3 (2) The age and date of birth of the child who assisted in the inspection;

4 (3) The name and position of the person from whom the child attempted to  
5 purchase tobacco, products made or derived from tobacco, vapor products or  
6 alternative nicotine products;

7 (4) The name and address of the establishment at which the child attempted  
8 to purchase tobacco, products made or derived from tobacco, vapor products or  
9 alternative nicotine products;

10 (5) The date and time of the inspection; and

11 (6) The result of the inspection, including whether the inspection resulted  
12 in the sale, distribution or offering for sale of tobacco, products made or derived  
13 from tobacco, vapor products or alternative nicotine products to the child.

14 6. No administrative, civil or criminal action based upon an alleged violation  
15 of NRS 202.2493 or 202.2494 or section 1 of this act may be brought as a result of  
16 an inspection for compliance in which the assistance of a child has been enlisted  
17 unless the inspection has been conducted in accordance with the provisions of this  
18 section.

19 **Sec. 8.** ~~[Chapter 439 of NRS is hereby amended by adding thereto the~~  
20 ~~provisions set forth as sections 9, 10 and 11 of this act.] **(Deleted by amendment.)**~~

21 **Sec. 9.** ~~[1. The Account for Public Health Improvement is hereby created~~  
22 ~~in the State General Fund. The interest and income earned on the money in the~~  
23 ~~Account must be credited to the Account. The Division shall administer the~~  
24 ~~Account.~~

25 ~~2. Not less than 50 percent of the money deposited in the Account must be~~  
26 ~~used to carry out programs for tobacco prevention and treatment in the areas of~~  
27 ~~this State for which a health district has not been established pursuant to NRS~~  
28 ~~439.361 to 439.410, inclusive, and sections 10 and 11 of this act.~~

29 ~~3. The State Board of Health shall~~

30 ~~(a) Evaluate the health and public health needs of residents of the areas of~~  
31 ~~this State for which a health district has not been established pursuant to NRS~~  
32 ~~439.361 to 439.410, inclusive, and sections 10 and 11 of this act; and~~

33 ~~(b) Determine the level of priority of the public health needs described in~~  
34 ~~paragraph (a).~~

35 ~~4. Not more than 50 percent of the money deposited in the Account must be~~  
36 ~~used to address the needs identified pursuant to subsection 3 in accordance with~~  
37 ~~the level of priority determined by the State Board of Health pursuant to that~~  
38 ~~subsection.~~

39 ~~5. Any money remaining in the Account at the end of each fiscal year does~~  
40 ~~not revert to the State General Fund but must be carried over into the next fiscal~~  
41 ~~year. If during a fiscal year, the Division does not spend the full amount of~~  
42 ~~money required to be spent on programs for tobacco prevention and treatment~~  
43 ~~pursuant to subsection 2, the remaining amount of money in the Account which~~  
44 ~~must be spent for that purpose during the fiscal year must be carried forward to~~  
45 ~~each subsequent fiscal year until the money is used for that purpose.~~

46 ~~6. The Division shall not expend money in the Account unless the~~  
47 ~~expenditure has been approved by the State Board of Health. Money in the~~  
48 ~~Account may only be used for the purposes described in subsections 2 and 4. The~~  
49 ~~money in the Account must be used to augment and must not be used to replace~~  
50 ~~or supplant any legislative appropriations to the Division or funding available~~  
51 ~~from other sources.~~

52 ~~7. On or before February 1 of each year, the Division shall submit a report~~  
53 ~~to the Director of the Legislative Counsel Bureau for transmittal to the Interim~~

~~Finance Committee, if the report is received during an even-numbered year, or to the next session of the Legislature, if the report is received during an odd-numbered year. The report must include, without limitation, for the fiscal year immediately preceding the submission of the report, a description of:~~

~~— (a) The use of the money in the Account by the Division, including, without limitation:~~

~~— (1) The total expenditures made from the Account to carry out programs for tobacco prevention and treatment;~~

~~— (2) The total expenditures made from the Account to address the needs identified pursuant to subsection 3; and~~

~~— (3) The programs which received money from the Account.~~

~~— (b) The expenditures made by health districts established pursuant to NRS 439.361 to 439.410, inclusive, and sections 10 and 11 of this act of money remitted to such health districts pursuant to NRS 370.500, including, without limitation, whether such expenditures complied with the requirements of section 10 or 11 of this act, as applicable.~~

~~— 8. If a health district is established pursuant to NRS 439.370 on or after July 1, 2019, the Division must notify the State Controller of the creation of the health district and the State Controller, based on information provided by the Division, must transfer to each county treasurer of a county in which the health district was established a percentage of the money in the Account equal to the total population of each county in which the health district was established, as most recently certified by the Governor pursuant to NRS 360.285, divided by the total population, as most recently certified by the Governor pursuant to NRS 360.285, of each county for which the Division was authorized to spend money in the Account before the establishment of the health district.~~

~~— 9. As used in this section, “program for tobacco prevention and treatment” means a program consistent with the guidelines established by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services relating to evidence-based best practices to prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco. **(Deleted by amendment.)**~~

~~Sec. 10. [1. The board of county commissioners shall create a public health improvement fund in the county treasury. All money received by the county treasurer pursuant to NRS 370.500 and from the Division pursuant to section 9 of this act must be deposited for credit to the fund. The interest and income earned on the money in the fund must be credited to the fund.~~

~~— 2. Not less than 50 percent of the money deposited in the fund each fiscal year must be used to carry out programs for tobacco prevention and treatment approved by the district board of health.~~

~~— 3. The district board of health shall:~~

~~— (a) Evaluate the health and public health needs of residents of the area over which the health district has jurisdiction; and~~

~~— (b) Determine the level of priority of the public health needs described in paragraph (a).~~

~~— 4. Not more than 50 percent of the money deposited in the fund each fiscal year must be used to address the needs identified pursuant to subsection 3 in accordance with the level of priority determined by the district board of health pursuant to that subsection.~~

~~— 5. Any money remaining in the fund at the end of each fiscal year does not revert to the county general fund but must be carried over into the next fiscal year. If, during a fiscal year, the health district does not spend the full amount of money required to be spent on programs for tobacco prevention and treatment~~

~~pursuant to subsection 2, the remaining amount of money in the fund which must be spent for that purpose during the fiscal year must be carried forward to each subsequent fiscal year until the money is used for that purpose.~~

~~6. The health district shall not expend money in the fund unless the expenditure has been approved by the district board of health for the health district. Money in the fund may only be used for the purposes described in subsections 2 and 4, and must not be used to replace or supplant funding available from other sources.~~

~~7. On or before December 1 of each year, the health district shall submit a report to the Division which must include:~~

~~(a) The total amount received by the health district from the county treasurer pursuant to NRS 370.500 during the immediately preceding fiscal year;~~

~~(b) A description of the use of the money in the fund during the immediately preceding fiscal year, including, without limitation:~~

~~(1) The total expenditures made from the fund to carry out programs for tobacco prevention and treatment;~~

~~(2) The total expenditures made from the fund to address the needs identified pursuant to subsection 3;~~

~~(3) The total amount of money in the fund which was carried over from a prior fiscal year and the amount of such money which must be used to carry out programs for tobacco prevention and treatment; and~~

~~(4) A description of the programs which received money from the fund; and~~

~~(c) Such other information as the Division may require to ensure that the money in the fund is being used for the purposes described in subsections 2 and 4.~~

~~8. As used in this section, "program for tobacco prevention and treatment" means a program consistent with the guidelines established by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services relating to evidence-based best practices to prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco. **(Deleted by amendment.)**~~

**Sec. 11.** ~~[1. The board of county commissioners of each county in which a health district is created pursuant to NRS 439.370 shall create a public health improvement fund in the county treasury. All money received by a county treasurer pursuant to NRS 370.500 and from the Division pursuant to section 9 of this act must be deposited for credit to the fund. The interest and income earned on the money in the fund must be credited to the fund.~~

~~2. Not less than 50 percent of the money deposited in the fund each fiscal year must be used to carry out programs for tobacco prevention and treatment approved by the district board of health.~~

~~3. Each district board of health shall:~~

~~(a) Evaluate the health and public health needs of residents of the area over which the health district has jurisdiction; and~~

~~(b) Determine the level of priority of the public health needs described in paragraph (a).~~

~~4. Not more than 50 percent of the money deposited in the fund each fiscal year must be used to address the needs identified pursuant to subsection 3 in accordance with the level of priority determined by the district board of health pursuant to that subsection.~~

~~5. Any money remaining in the fund at the end of each fiscal year does not revert to any county general fund but must be carried over into the next fiscal year. If, during a fiscal year, the health district does not spend the full amount of~~

~~money required to be spent on programs for tobacco prevention and treatment pursuant to subsection 2, the remaining amount of money in the fund which must be spent for that purpose during the fiscal year must be carried forward to each subsequent fiscal year until the money is used for that purpose.~~

~~6. The health district shall not expend money in the fund unless the expenditure has been approved by the district board of health for the health district. Money in the fund may only be used for the purposes described in subsections 2 and 4, and must not be used to replace or supplant funding available from other sources.~~

~~7. On or before December 1 of each year, the health district shall submit a report to the Division which must include:~~

~~(a) The total amount received by the health district from the county treasurer pursuant to NRS 370.500 during the immediately preceding fiscal year;~~

~~(b) A description of the use of the money in the fund during the immediately preceding fiscal year, including, without limitation:~~

~~(1) The total expenditures made from the fund to carry out programs for tobacco prevention and treatment;~~

~~(2) The total expenditures made from the fund to address the needs identified pursuant to subsection 2;~~

~~(3) The total amount of money in the fund which was carried over from a prior fiscal year and the amount of such money which must be used to carry out programs for tobacco prevention and treatment; and~~

~~(4) A description of the programs which received money from the fund; and~~

~~(c) Such other information as the Division may require to ensure that the money in the fund is being used for the purposes described in subsections 2 and 4.~~

~~8. As used in this section, "program for tobacco prevention and treatment" means a program consistent with the guidelines established by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services relating to evidence based best practices to prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco.~~ **(Deleted by amendment.)**

**Sec. 12.** [NRS 439.361 is hereby amended to read as follows:

~~439.361 The provisions of NRS 439.361 to 439.3685, inclusive, and section 10 of this act apply to a county whose population is 700,000 or more.] **(Deleted by amendment.)**~~

**Sec. 13.** [NRS 439.369 is hereby amended to read as follows:

~~439.369 The provisions of NRS 439.369 to 439.410, inclusive, and section 11 of this act apply to a county whose population is less than 700,000.] **(Deleted by amendment.)**~~

**Sec. 14.** ~~[1. Notwithstanding any other provision of law, a retail dealer who, on July 1, 2019, possesses vapor products which would have been subject to the tax imposed by NRS 370.450 if that tax were imposed on vapor products before July 1, 2019, and for which the tax imposed by that section has not been paid, including, without limitation, vapor products which were in the inventory of the retail dealer before July 1, 2019, shall collect, at the time of a sale or transfer of such vapor products, the tax that would have been imposed by that section if that tax were imposed on vapor products before July 1, 2019. Not later than 20 days after the end of each month, a retail dealer who collects the tax pursuant to this section shall submit a report on a form prescribed by the Department of Taxation setting forth each sale of vapor products that the retail dealer made during the previous month. Each report submitted pursuant to this section must be~~

~~accompanied by the tax owed pursuant to this section for vapor products sold or transferred by the retail dealer during the previous month. The retail dealer is entitled to retain 0.25 percent of the taxes collected to cover the costs of collecting and administering the taxes if the taxes are paid in accordance with the provisions of this section.~~

~~2. As used in this section, unless the context otherwise requires, the words and terms defined in NRS 370.440, as amended by section 4 of this act, have the meanings ascribed to them in that section. (Deleted by amendment.)~~

Sec. 14.5. 1. There is hereby appropriated from the State General Fund to the Department of Health and Human Services for programs to control and prevent the use of tobacco the following sums:

<u>For Fiscal Year 2019-2020.....</u>	<u>\$2,500,000</u>
<u>For Fiscal Year 2020-2021.....</u>	<u>\$2,500,000</u>

2. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2019-2020 must be added to the money appropriated for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2021, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 17, 2021.

Sec. 15. 1. This section and section 14.5 of this act become effective on July 1, 2019.

2. Sections 1 to 2, inclusive, and 7.1 to 7.9, inclusive, of this act ~~becomes effective on July~~ become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act, and on January 1, ~~2019,~~ 2020, for all other purposes.