

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 2667 and 299**

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill Nos. 2667 and 299 SCS.

The bill extends the current State statutory ban on the sale of flavored cigarettes to include menthol and clove cigarettes. New Jersey generally banned flavored cigarettes in 2008, but included in that law exceptions for menthol and clove cigarettes. In 2009, the federal government adopted a law banning all flavored cigarettes, including clove, but also provided an exception for menthol cigarettes.

Under the bill, the existing penalties for prohibited sales of flavored cigarettes will apply to sales of menthol and clove cigarettes. The substitute makes the prohibitions and penalties under the flavored cigarette ban applicable to retailers, rather than individuals.

The revision to the flavor ban means that a retailer is not to, either directly or indirectly by an agent or employee, or by a vending machine owned by the retailer or located in the retailer's establishment, sell, offer for sale, distribute for commercial purpose at no cost or minimal cost or with coupons or rebate offers, give or furnish, to a person a cigarette, or any component part thereof, which contains a natural or artificial constituent or additive that causes the cigarette product or any smoke emanating from the cigarette or product to have a characterizing flavor other than tobacco. In no event is a cigarette or any component part thereof to be construed to have a characterizing flavor based solely on the use of additives or flavorings, or the provision of an ingredient list made available by any means.

The existing penalties under the current law concerning flavored cigarettes will continue to apply, such that a retailer who makes a prohibited sale will be liable to a civil penalty of not less than \$250 for the first violation, not less than \$500 for the second violation, and \$1,000 for the third and each subsequent violation. In addition, the retailer's tobacco retailer license may be suspended or revoked upon a second or subsequent violation, under certain circumstances. The licensee will also be subject to administrative charges, based on a schedule issued by the Director of the Division of Taxation, which may provide for a monetary penalty in lieu of a suspension.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.