

2026 Regular Session

HOUSE BILL NO. 623

BY REPRESENTATIVE HENRY

TOBACCO/TOBACCO PRODUCTS: Provides for a three-tier system of permitting for the producers, manufacturers, and wholesalers of tobacco and vapor products

1 AN ACT

2 To enact R.S. 26:914.1 and 914.2, relative to permits for tobacco or vapor products; to
3 provide for a three-tier system for the issuance of permits; to require in-state
4 wholesale distribution of products; to provide for a tracking system; to provide for
5 penalties; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 26:914.1 and 914.2 are hereby enacted to read as follows:

8 §914.1. Three-tier system for tobacco and vapor products

9 A.(1) No manufacturer of tobacco or vapor products shall do any of the
10 following:

11 (a) Hold a retail dealer permit issued pursuant to this Chapter.

12 (b) Hold a wholesale dealer permit issued pursuant to this Chapter.

13 (c) Possess any direct or indirect financial interest in a permitted wholesaler
14 or retailer in this state.

15 (2) No wholesaler shall do either of the following:

16 (a) Hold a retail dealer permit.

17 (b) Be a manufacturer of tobacco or vapor products.

18 (3) No retail dealer shall do any of the following:

19 (a) Hold a wholesaler permit.

20 (b) Be a manufacturer of tobacco or vapor products.

1 (c) Purchase tobacco or vapor products from any person other than a
2 wholesaler with a valid Louisiana permit.

3 B.(1) All tobacco or vapor products sold in this state shall be sold by the
4 manufacturer to a wholesaler with a valid Louisiana permit.

5 (2) Direct shipment from a manufacturer to a retail dealer is prohibited.

6 (3) Direct to consumer shipment of tobacco or vapor products from a
7 manufacturer or out of state seller is prohibited unless the seller holds a valid
8 Louisiana wholesale permit and complies with all tax and reporting requirements.

9 C.(1) The commissioner shall establish or approve a digital product registry
10 and chain of custody tracking system.

11 (2) Each transfer of tobacco or vapor products between tiers shall be
12 recorded in the system and shall include all of the following information:

13 (a) Product identifier and brand.

14 (b) Quantity transferred.

15 (c) Date of transfer.

16 (d) Permit number of transferor and transferee.

17 (e) Tax verification status.

18 (3) Failure to report a transfer within five business days constitutes a
19 violation of this Section and subjects the violator to a penalty pursuant to R.S.
20 26:914.2.

21 §914.2. Enforcement; penalties

22 A. Violations of the provisions of R.S. 26:913 shall result in the following:

23 (1) For a first offense, a fine of not less than five thousand dollars nor more
24 than twenty-five thousand dollars, and a suspension of the permit for up to ninety
25 days.

26 (2) A second offense shall result in revocation of the permit.

27 B. All penalties collected shall be retained by the commissioner.

1 C. Any retail dealer that purchases from an unauthorized source shall be
2 subject to immediate seizure of product and suspension of the permit pending a
3 hearing before the commissioner.

4 D. Products distributed in violation of this Section shall be deemed
5 contraband and subject to forfeiture.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 623 Original

2026 Regular Session

Henry

Abstract: Provides for a three-tier system of permitting for the producers, manufacturers, and wholesalers of tobacco and vapor products.

Present law (R.S. 26:902) provides for the issuance of retail dealer and wholesale dealer permits for the sale of tobacco and vapor products in the state of La.

Proposed law retains present law and provides for a three-tier system for the issuance of permits for the sale of tobacco and vapor products in the state of La.

Proposed law provides that a manufacturer of tobacco or vapor products cannot:

- (1) Hold a retail dealer permit.
- (2) Hold a wholesale dealer permit.
- (3) Possess any direct or indirect financial interest in a permitted wholesaler or retailer in the state of La.

Proposed law provides that a wholesaler of tobacco or vapor products cannot:

- (1) Hold a retail dealer permit.
- (2) Be a manufacturer of tobacco or vapor products.

Proposed law provides that a retailer of tobacco or vapor products cannot:

- (1) Hold a wholesaler permit.
- (2) Be a manufacturer of tobacco or vapor products.
- (3) Purchase tobacco or vapor products from any person other than a wholesaler with a valid permit issued in the state of La.

Proposed law provides that all tobacco and vapor products must be sold by a manufacturer to a wholesaler with a valid permit. Further prohibits the direct shipment of products from a manufacturer to a retailer. Permits the direct shipment to a consumer provided that the seller has a valid wholesale permit and complies with tax and reporting requirements.

Proposed law requires the commissioner of the office of alcohol and tobacco control (ATC) to establish and approve a digital product registry and chain of custody tracking system to track the transfer of tobacco and vapor products between tiers.

Proposed law provides for penalties of not less than \$5,000 nor more than \$25,000 for a first offense and suspension of a permit for 90 days. For a second offense, a permit is revoked. Further provides that all penalties shall be retained by the commissioner.

Proposed law provides that the purchase of products from an unauthorized source is a violation of proposed law and that the products are subject to forfeiture.

(Adds R.S. 26:914.1 and 914.2)