

2015 Regular Session

HOUSE BILL NO. 467

BY REPRESENTATIVE HARRIS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TOBACCO/TOBACCO PRODUCTS: Provides relative to the payment and purchase of tobacco products

1 AN ACT

2 To enact R.S. 26:909.1, relative to sales of tobacco products; to provide relative to the
3 payment and purchase of tobacco products for wholesale and retail dealers; to require
4 specific consideration for tobacco products; to provide for notification requirements
5 relative to a retailer's failure to timely make payments for receipt of products; to
6 require the commissioner to promulgate rules and regulations; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 26:909.1 is hereby enacted to read as follows:

10 §909.1. Cash or short-term sales only; notification; penalty for violation

11 A. No manufacturer or wholesale dealer shall sell, offer to sell, or deliver
12 any tobacco products to any retail dealer in this state, and no retail dealer in tobacco
13 products shall buy or accept delivery for any such product for any consideration
14 other than cash or on terms. If payment is not received when due or payment is
15 returned for insufficient funds, the vendor shall within five business days, notify the
16 commissioner thereof and the commissioner shall promptly notify all manufacturers
17 and wholesale dealers in the state of the default in payment and thereafter no person
18 shall sell any tobacco products to the retailer in default on any other terms than cash
19 delivery, until otherwise authorized by the commissioner. Under penalty of

1 suspension of the permit, the retailer who is in default shall pay his obligation in full
2 within thirty days from the date it became due.

3 B. Whoever violates the provisions of this Section may have his permit
4 suspended for not more than five days for the first offense and not more than thirty
5 days for any subsequent offense. Each failure of a retail dealer to make payment for
6 any default before the expiration of the period of suspension constitutes a subsequent
7 offense. In addition, the retail dealer may be required to make payment in cash for
8 all tobacco products subsequently sold or delivered to him.

9 C. The commissioner shall promulgate rules and regulations for the
10 enforcement of this Section.

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 467 Engrossed

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Harris

Abstract: Requires all consideration for tobacco products be made in cash or on terms, and provides relative to notification and penalties for default in payment.

Proposed law prohibits all manufacturers and wholesale dealers from selling, delivering, or offering for sale, tobacco products to any retail dealer for any consideration other than cash or payment on terms.

Proposed law requires the manufacturer and wholesaler to immediately notify the commissioner of any payments that have not been made by the due date or returned for insufficient funds, and further requires the commissioner to notify all manufacturers and wholesale dealers in the state that the retail dealer has defaulted on payment.

Proposed law requires that upon notification all manufacturers and wholesale dealers in the state shall accept only cash delivery for any tobacco products until otherwise authorized by the commissioner. Proposed law requires that the retail dealer in default to pay the obligation in full within 30 days of the due date.

Proposed law authorizes the commissioner to suspend the permit of any person who violates the provisions of proposed law for not more than five days for the first offense and not more than 30 days for any subsequent offense, which includes each failure to make payment for any default during the period of suspension.

Proposed law authorizes payment to be made in cash for all tobacco products subsequently sold or delivered to the retail dealer.

Proposed law requires the commissioner to promulgate rules and regulations for the enforcement of proposed law.

(Adds R.S. 26:909.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Judiciary to the original bill:

1. Remove the commissioner's authority to order that no state or local permit can be issued for the same premises where the permit for such premises is suspended or revoked until all debts are satisfied by the retail dealer.