STATE OF NEW YORK

9857

IN ASSEMBLY

April 24, 2024

Introduced by M. of A. STERN -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to requiring vapor products dealers to be registered with the department of health; to amend the tax law, in relation to the registration of vapor products dealers by municipalities, and the revocation of a vapor products dealer certificate of registration by the commissioner of taxation and finance; and to amend the public health law, the tax law, the cannabis law and the alcoholic beverage control law, in relation to the revocation of licenses and registrations for the knowing and unlawful sale of cannabis

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public health law is amended by adding a new section 1399-mm-4 to read as follows:

§ 1399-mm-4. Vapor products dealer registration. 1. Any vapor products dealer selling vapor products in the state shall be registered with the department. The department shall oversee the operations of such registered vapor products dealers.

2. (a) A municipality may require additional, municipality-specific registration or licensing of vapor products dealers. Such municipality may establish grounds for revocation of such a registration or license which may include, but shall not be limited to, the knowing and unlawful sale of any cannabis, cannabis product as defined in subdivision nine of section three of the cannabis law, or concentrated cannabis as defined in subdivision seventeen of section three of the cannabis law.

(b) A municipality shall revoke the certificate of occupancy of any vapor products dealer that knowingly and unlawfully sells any cannabis, cannabis product as defined in subdivision nine of section three of the cannabis law, or concentrated cannabis as defined in subdivision seventeen of section three of the cannabis law.

§ 2. The public health law is amended by adding a new section 1399-mm-5 to read as follows:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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§ 1399-mm-5. Unlawful sale of cannabis by vapor products dealers. Any vapor products dealer that knowingly and unlawfully sells any cannabis, cannabis product as defined in subdivision nine of section three of the cannabis law, or concentrated cannabis as defined in subdivision seventeen of section three of the cannabis law shall be subject to a penalty of ten thousand dollars.

§ 3. Paragraph 1 of subdivision (d) of section 1183 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

(1) The commissioner shall refuse to issue a certificate of registration to any applicant who does not possess a valid certificate of authority under section eleven hundred thirty-four of this chapter. In addition, the commissioner may refuse to issue a certificate of registration, or suspend, cancel or revoke a certificate of registration issued to any person who: (A) has a past-due liability as that term is defined in section one hundred seventy-one-v of this chapter; (B) has had a certificate of registration under this article or any license or registration provided for in this chapter revoked within one year from the date on which such application was filed; (C) has been convicted of a crime provided for in this chapter within one year from the date on which such application was filed; (D) willfully fails to file a report or return required by this article; (E) willfully files, causes to be filed, gives or causes to be given a report, return, certificate or affidavit required by this article which is false; (F) willfully fails to collect or truthfully account for or pay over any tax imposed by this article; [~~or~~] (G) whose place of business is at the same premises as that of a person whose vapor products dealer registration has been revoked and where such revocation is still in effect, unless the applicant or vapor products dealer provides the commissioner with adequate documentation demonstrating that such applicant or vapor products dealer acquired the premises or business through an arm's length transaction as defined in paragraph (e) of subdivision one of section four hundred eighty-a of this chapter**; or (H) knowingly and unlawfully sells any cannabis, cannabis product as defined in subdivision nine of section three of the cannabis law, or concentrated cannabis as defined in subdivision seventeen of section three of the cannabis law**.

§ 4. Section 1399-ee of the public health law is amended by adding a new subdivision 7 to read as follows:

7. If the commissioner or his or her designee determines, after a hearing, that a retail dealer has violated section thirteen hundred ninety-nine-mm-five of this article he or she shall, in addition to imposing any other penalty required or permitted by this section, direct the cannabis control board, the state liquor authority and the department of taxation and finance to revoke any license or registration of the dealer as permitted by law for such a violation.

§ 5. Section 1607 of the tax law is amended by adding a new subdivision i to read as follows:

i. A violation of section thirteen hundred ninety-nine-mm-five of the public health law, as provided in this subdivision, a license shall be revoked upon notification to the division by the commissioner of health of a lottery sales agent's violation of section thirteen hundred ninety-nine-mm-five of the public health law.

§ 6. Subdivision 4 of section 133 of the cannabis law is amended by adding a new paragraph (c) to read as follows:

(c) As used in this section, the term "for cause" shall also include the board being notified by the commissioner of health of a violation of section thirteen hundred ninety-nine-mm-five of the public health law.

§ 7. Subdivision 3 of section 118 of the alcoholic beverage control law is amended by adding a new paragraph (d) to read as follows:

(d) As used in this section, the term "for cause" shall also include the state liquor authority being notified by the commissioner of health of a violation of section thirteen hundred ninety-nine-mm-five of the public health law.

§ 8. This act shall take effect immediately.