

By: Miles

S.B. No. 2253

A BILL TO BE ENTITLED

AN ACT

relating to fees on persons who sell or purchase e-cigarettes, vapor products, or cannibidiol products to benefit the designated trauma facility and emergency medical services account; imposing fees; requiring occupational permits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 780.003(b), Health and Safety Code, is amended to read as follows:

(b) The account is composed of money deposited to the credit of the account under Sections 164.0008 and 165.0008, Tax Code, under Sections 542.406 and 707.008, Transportation Code, and under Section 780.002 of this code.

SECTION 2. Subtitle E, Title 2, Tax Code, is amended by adding Chapters 164 and 165 to read as follows:

CHAPTER 164. E-CIGARETTE AND VAPOR PRODUCT FEES

Sec. 164.0001. DEFINITIONS. In this chapter:

(1) "Consumer" means a person who purchases an e-cigarette or vapor product for personal use or consumption.

(2) "E-cigarette" has the meaning assigned by Section 161.081, Health and Safety Code.

(3) "Retailer" means a person who sells e-cigarettes or vapor products to consumers.

(4) "Vapor product" means a consumable nicotine liquid solution or other material containing nicotine suitable for use in

1 an e-cigarette.

2 (5) "Wholesaler" means a person who sells or  
3 distributes e-cigarettes or vapor products to retailers.

4 Sec. 164.0002. WHOLESALER PERMIT; FEE. (a) A person may  
5 not engage in business as a wholesaler in this state unless the  
6 person has applied for and received an e-cigarette wholesaler  
7 permit from the comptroller.

8 (b) Each wholesaler shall obtain a permit for each place of  
9 business owned or operated by the wholesaler.

10 (c) The fee for a permit is \$500 per year.

11 Sec. 164.0003. RETAILER PERMIT; FEE. (a) A person may not  
12 engage in business as a retailer in this state unless the person has  
13 applied for and received an e-cigarette retailer permit from the  
14 comptroller.

15 (b) Each retailer shall obtain a permit for each place of  
16 business owned or operated by the retailer.

17 (c) The fee for a permit is \$300 per year.

18 Sec. 164.0004. CONSUMER FEE. (a) A fee is imposed on each  
19 sale of an e-cigarette or vapor product to a consumer in this state.

20 (b) The amount of the fee is:

21 (1) \$1 if the sum of the sales prices of all  
22 e-cigarettes and vapor products sold together at the same time is  
23 not more than \$25; or

24 (2) \$2 if the sum of the sales prices of all  
25 e-cigarettes and vapor products sold together at the same time is  
26 more than \$25.

27 (c) A retailer who makes a sale subject to the consumer fee

1 imposed by this section shall add the amount of the fee to the sales  
2 price, and when the amount of the fee is added:

3 (1) it becomes a part of the sales price;

4 (2) it is a debt of the consumer to the retailer until  
5 paid; and

6 (3) if unpaid, it is recoverable at law in the same  
7 manner as the original sales price.

8 Sec. 164.0005. APPLICATION OF OTHER PROVISIONS OF CODE.

9 (a) Except as otherwise provided by this chapter, the provisions  
10 of Subchapter D, Chapter 154, apply to a wholesaler or retailer  
11 permit under this chapter in the same manner as a wholesaler or  
12 retailer permit under that subchapter.

13 (b) Except as otherwise provided by this chapter, the  
14 consumer fee under this chapter is administered, imposed,  
15 collected, and enforced in the same manner as the sales tax under  
16 Subchapter C, Chapter 151 is administered, imposed, collected, and  
17 enforced.

18 Sec. 164.0006. REPORTS. (a) A retailer required to file a  
19 report under Section 151.403 who is also required to collect the  
20 consumer fee under this chapter shall file with the comptroller a  
21 report stating the information required by Section 164.0007.

22 (b) The report required by this section for a reporting  
23 period is due on the same date that the fee payment for the period is  
24 due.

25 Sec. 164.0007. RECORDS. A person required to file a report  
26 under Section 151.403 who is also required to collect the consumer  
27 fee under this chapter shall keep a complete record of:

1           (1) each transaction in which at least one e-cigarette  
2 or vapor product was sold by the retailer during the reporting  
3 period and the sales prices of all e-cigarettes and vapor products  
4 sold in each transaction;

5           (2) all consumer fees, and any money represented to be  
6 consumer fees, collected during each reporting period; and

7           (3) any other information required by the comptroller.

8           Sec. 164.0008. DISPOSITION OF PROCEEDS. The comptroller  
9 shall deposit the fees collected under this chapter to the credit of  
10 the designated trauma facility and emergency medical services  
11 account established under Section 780.003, Health and Safety Code.

12           Sec. 164.0009. RULES. The comptroller shall adopt rules to  
13 implement, administer, and enforce this chapter.

14                           CHAPTER 165. CANNABIDIOL PRODUCT FEES

15           Sec. 165.0001. DEFINITIONS. In this chapter:

16           (1) "Cannabidiol product" means a product containing  
17 cannibidiol. The term does not include low-THC cannabis prescribed  
18 in accordance with Chapter 169, Occupations Code.

19           (2) "Consumer" means a person who purchases a  
20 cannabidiol product for personal use or consumption.

21           (3) "Retailer" means a person who sells cannabidiol  
22 products to consumers.

23           (4) "Wholesaler" means a person who sells or  
24 distributes cannabidiol products to retailers.

25           Sec. 165.0002. WHOLESALER PERMIT; FEE. (a) A person may  
26 not engage in business as a wholesaler in this state unless the  
27 person has applied for and received a cannabidiol product

1 wholesaler permit from the comptroller.

2 (b) Each wholesaler shall obtain a permit for each place of  
3 business owned or operated by the wholesaler.

4 (c) The fee for a permit is \$500 per year.

5 Sec. 165.0003. RETAILER PERMIT; FEE. (a) A person may not  
6 engage in business as a retailer in this state unless the person has  
7 applied for and received a cannabidiol product retailer permit from  
8 the comptroller.

9 (b) Each retailer shall obtain a permit for each place of  
10 business owned or operated by the retailer.

11 (c) The fee for a permit is \$300 per year.

12 Sec. 165.0004. CONSUMER FEE. (a) A fee is imposed on each  
13 sale of a cannabidiol product to a consumer in this state.

14 (b) The amount of the fee is:

15 (1) \$1 if the sum of the sales prices of all cannabidiol  
16 products sold together at the same time is not more than \$25; or

17 (2) \$2 if the sum of the sales prices of all cannabidiol  
18 products sold together at the same time is more than \$25.

19 (c) A retailer who makes a sale subject to the consumer fee  
20 imposed by this section shall add the amount of the fee to the sales  
21 price, and when the amount of the fee is added:

22 (1) it becomes a part of the sales price;

23 (2) it is a debt of the consumer to the retailer until  
24 paid; and

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22 sales prices of all cannabidiol products sold in each transaction;

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24 consumer fees, collected during each reporting period; and

25 (3) any other information required by the comptroller.

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27 shall deposit the fees collected under this chapter to the credit of

1 the designated trauma facility and emergency medical services  
2 account established under Section 780.003, Health and Safety Code.

3 Sec 165.0009. RULES. The comptroller shall adopt rules to  
4 implement, administer, and enforce this chapter.

5 SECTION 3. This Act takes effect September 1, 2019.