



House of Representatives

File No. 715

General Assembly

February Session, 2026

(Reprint of File No. 235)

Substitute House Bill No. 5228
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 22, 2026

AN ACT CONCERNING ELECTRONIC NICOTINE DELIVERY SYSTEM AND VAPOR PRODUCT DEALERS.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 21a-415 of the 2026 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2026*):

4 (a) As used in this chapter:

5 (1) "Authorized owner" means the owner or authorized designee of a
6 business entity that is applying for a registration or is registered with
7 the Department of Consumer Protection pursuant to this chapter;

8 (2) "Business entity" means any corporation, limited liability
9 company, association, partnership, sole proprietorship, government,
10 governmental subdivision or agency, business trust, estate, trust or any
11 other legal entity;

12 (3) "Cannabis" has the same meaning as provided in section 21a-420;

13 [(3)] (4) "Cigarette" has the same meaning as provided in subsection
14 (b) of section 12-285;

15 [(4)] (5) "Dealer registration" means an electronic nicotine delivery
16 system certificate of dealer registration issued by the Commissioner of
17 Consumer Protection pursuant to this section;

18 [(5)] (6) "Deliver" or "delivering" means transferring, or offering or
19 attempting to transfer, physical possession or control of an electronic
20 nicotine delivery system or vapor product by any person, whether done
21 as principal, proprietor, agent, servant or employee;

22 [(6)] (7) "Drug paraphernalia" has the same meaning as provided in
23 section 21a-240;

24 [(7)] (8) "Electronic cigarette liquid" means a liquid that, when used
25 in an electronic nicotine delivery system or vapor product, produces a
26 vapor that may or may not include nicotine and is inhaled by the user
27 of such electronic nicotine delivery system or vapor product;

28 [(8)] (9) "Electronic nicotine delivery system" means an electronic
29 device used in the delivery of nicotine or other substances to an
30 individual inhaling from the device, and includes, but is not limited to,
31 an electronic cigarette, electronic cigar, electronic cigarillo, electronic
32 pipe or electronic hookah and any related device and any cartridge or
33 other component of such device, including, but not limited to, electronic
34 cigarette liquid;

35 [(9)] (10) "Manufacturer registration" means an electronic nicotine
36 delivery system certificate of manufacturer registration issued by the
37 Commissioner of Consumer Protection pursuant to section 21a-415a to
38 any person who mixes, compounds, repackages or resizes any nicotine-
39 containing electronic nicotine delivery system or vapor product;

40 [(10)] (11) "Sale" or "sell" means transferring, or offering or attempting
41 to transfer, for consideration, including bartering or exchanging, or

42 offering to barter or exchange by any person, whether done as principal,
43 proprietor, agent, servant or employee;

44 [(11)] (12) "Tobacco products" has the same meaning as provided in
45 section 12-330a; and

46 [(12)] (13) "Vapor product" means any product that employs a heating
47 element, power source, electronic circuit or other electronic, chemical or
48 mechanical means, regardless of shape or size, to produce a vapor that
49 may include nicotine and is inhaled by the user of such product. "Vapor
50 product" does not include a medicinal or therapeutic product that is (A)
51 used by a licensed health care provider to treat a patient in a health care
52 setting, (B) used by a patient, as prescribed or directed by a licensed
53 health care provider in any setting, or (C) any drug or device, as defined
54 in the federal Food, Drug and Cosmetic Act, 21 USC 321, as amended
55 from time to time, any combination product, as described in said act, 21
56 USC 353(g), as amended from time to time, or any biological product, as
57 described in 42 USC 262, as amended from time to time, and 21 CFR
58 600.3, as amended from time to time, authorized for sale by the United
59 States Food and Drug Administration.

60 (b) (1) No person in this state may sell or possess with intent to sell
61 an electronic nicotine delivery system or a vapor product unless such
62 person is employed by, an agent of or directly affiliated with a business
63 entity that maintains a dealer registration issued by the Commissioner
64 of Consumer Protection pursuant to this section. A separate dealer
65 registration shall be required for each place of business where such
66 system or product is sold, offered for sale or possessed with the intent
67 to sell. A dealer registration shall allow the sale of electronic nicotine
68 delivery systems or vapor products at such place of business. A holder
69 of a dealer registration shall post such registration in a prominent
70 location adjacent to electronic nicotine delivery system products or
71 vapor products offered for sale.

72 (2) The holder of a dealer registration shall maintain a sign, in a form
73 and manner prescribed by the commissioner and posted on the

74 Department of Consumer Protection's Internet web site, on all external
75 entry doors of the location operated under such dealer registration,
76 which shall clearly disclose that cannabis may not be sold at such
77 location.

78 (3) Each holder of a dealer registration that derives at least fifty per
79 cent of its annual gross revenue from sales of cigarettes, drug
80 paraphernalia, electronic nicotine delivery systems, nicotine products,
81 synthetic nicotine, tobacco products and vapor products shall verify,
82 with a valid government-issued driver's license or identity card, the age
83 of each individual entering the location operated under such dealer
84 registration, and shall prohibit any individual younger than twenty-one
85 years of age from entering such location.

86 (4) (A) Each holder of a dealer registration shall maintain a complete
87 set of records required pursuant to this section, [and] including, but not
88 limited to, (i) all financial records necessary to verify whether such
89 holder derives at least fifty per cent of its annual gross revenue from
90 sales of cigarettes, drug paraphernalia, electronic nicotine delivery
91 systems, nicotine products, synthetic nicotine, tobacco products and
92 vapor products, for the then current tax year and the three immediately
93 preceding tax years, and (ii) for a dealer registration initially issued on
94 or after October 1, 2026, all records necessary to verify that not more
95 than twenty-five per cent of the total floor area dedicated to sales at the
96 location that is operated under such dealer registration is dedicated to
97 sales of cigarettes, drug paraphernalia, electronic nicotine delivery
98 systems, nicotine products, synthetic nicotine, tobacco products and
99 vapor products, including, but not limited to, floor plans depicting the
100 total floor area dedicated to sales and the portions of such total floor
101 area dedicated to sales of cigarettes, drug paraphernalia, electronic
102 nicotine delivery systems, nicotine products, synthetic nicotine, tobacco
103 products and vapor products. [Such]

104 (B) Each holder of a dealer registration shall make [such] the records
105 maintained pursuant to subparagraph (A) of this subdivision
106 immediately available to the department, upon a request made by the

107 department, for inspection and copying by the department. Such holder
108 shall produce such records to the department not later than three days
109 after the department requests such records. Such holder shall produce
110 such records to the department in an electronic format, unless it is
111 commercially impractical to produce such records to the department in
112 an electronic format. No person shall use any foreign language, code or
113 symbol in maintaining the records required under this section.

114 (c) (1) Any applicant for a dealer registration or a renewal of a dealer
115 registration shall apply to the Department of Consumer Protection, in a
116 form and manner prescribed by the Commissioner of Consumer
117 Protection, which application shall include, at a minimum:

118 (A) The name, address and electronic mail address of the applicant;

119 (B) The location that is to be operated, or is operated, under such
120 dealer registration;

121 (C) The name of, and contact information for, each individual who
122 has a direct or indirect financial interest in such applicant, unless (i) such
123 applicant is a publicly traded company listed on a national stock
124 exchange, or (ii) the financial interest held by such individual owner and
125 such individual's spouse, parents and children, in the aggregate, does
126 not exceed [ten] five per cent of the total ownership or interest rights in
127 such applicant;

128 (D) A third-party local and national criminal background check for
129 each owner listed on such application, which background check shall (i)
130 be conducted by a third-party consumer reporting agency or
131 background screening company that is in compliance with the federal
132 Fair Credit Reporting Act and accredited by the Professional
133 Background Screening Association, (ii) include a multistate and
134 multijurisdiction criminal record locator or other similar commercial
135 nation-wide database with validation and such other background
136 screening as the commissioner may require, and (iii) be requested by
137 such applicant not more than sixty days prior to submission of such
138 application;

139 (E) The name of the individual who shall serve as the fiduciary agent
140 and guarantor for such applicant, which individual shall be personally
141 liable in the event of any noncompliance that results in a debt owed to
142 the department;

143 (F) A disclosure of any enforcement action against, and any
144 negotiated settlement entered into by, such applicant or any owner
145 disclosed pursuant to this subsection, which action or settlement is
146 related to the sale of cigarettes, electronic nicotine delivery systems,
147 tobacco products or vapor products;

148 (G) The name of a manager or supervisor who is or will be physically
149 present at such applicant's location or proposed location; [and]

150 (H) A certification that (i) an authorized owner or named designee of
151 such applicant has successfully completed the online prevention
152 education program administered by the Department of Mental Health
153 and Addiction Services pursuant to section 17a-719, and (ii) all
154 electronic nicotine delivery systems and vapor products offered for sale
155 by the applicant comply with federal and state law, including the federal
156 Food, Drug and Cosmetic Act, 21 USC 387 et seq., as amended from time
157 to time;

158 (I) In the case of an application for an initial dealer registration
159 submitted on or after October 1, 2026, a certification that (i) such
160 applicant's annual gross revenue from sales of cigarettes, drug
161 paraphernalia, electronic nicotine delivery systems, nicotine products,
162 synthetic nicotine, tobacco products and vapor products will not exceed
163 fifty per cent of such applicant's annual gross revenue from all sales at
164 the location that is to be operated under such dealer registration, and (ii)
165 not more than twenty-five per cent of the total floor area dedicated to
166 sales at the location that is to be operated under such dealer registration
167 will be dedicated to sales of cigarettes, drug paraphernalia, electronic
168 nicotine delivery systems, nicotine products, synthetic nicotine, tobacco
169 products and vapor products; and

170 (J) In the case of an application for renewal of a dealer registration

171 initially issued on or after October 1, 2026, such information as the
172 department requires to determine that, during the registration period
173 immediately preceding such renewal, (i) such applicant's annual gross
174 revenue from sales of cigarettes, drug paraphernalia, electronic nicotine
175 delivery systems, nicotine products, synthetic nicotine, tobacco
176 products and vapor products did not exceed fifty per cent of such
177 applicant's annual gross revenue from all sales at the location operated
178 under such dealer registration, and (ii) not more than twenty-five per
179 cent of the total floor area dedicated to sales at the location operated
180 under such dealer registration was dedicated to sales of cigarettes, drug
181 paraphernalia, electronic nicotine delivery systems, nicotine products,
182 synthetic nicotine, tobacco products and vapor products.

183 (2) The Department of Consumer Protection: (A) May require that an
184 applicant submit documents sufficient to establish that state and local
185 building, fire and zoning requirements will be met at the location of any
186 sale; (B) may, in the department's discretion, conduct an investigation to
187 determine whether a dealer registration shall be issued to an applicant;
188 and (C) shall not issue a dealer registration or a renewal of a dealer
189 registration to an applicant unless the applicant certifies that an
190 authorized owner or named designee of the applicant has successfully
191 completed the online prevention education program administered by
192 the Department of Mental Health and Addiction Services pursuant to
193 section 17a-719.

194 (3) The commissioner shall issue a dealer registration or a renewal of
195 a dealer registration to any such applicant not later than thirty days after
196 the date of application, unless the commissioner finds: (A) The
197 applicant, or any individual named in such application pursuant to
198 subparagraph (C) of subdivision (1) of this subsection, has made a
199 materially false or misleading statement in such application or in any
200 other application made to the commissioner; (B) the applicant has
201 neglected to pay any taxes due to this state; (C) the authorized owner or
202 named designee of the applicant has not successfully completed the
203 online prevention education program administered by the Department
204 of Mental Health and Addiction Services pursuant to section 17a-719;

205 (D) the third-party local and national criminal background check for any
206 authorized owner or named designee of the applicant [has a criminal
207 history that is] affords a sufficient basis for denial under section 46a-80;
208 [or] (E) the applicant, any authorized owner of the applicant or any
209 entity owned or managed by any individual named in the applicant's
210 application pursuant to subparagraph (C) of subdivision (1) of this
211 subsection (i) has [violated] committed multiple violations of any other
212 provision of this section, (ii) is the subject of a delinquency assessment
213 by the Department of Revenue Services, or (iii) is the subject of any other
214 adverse determination by a government agency; or (F) in the case of an
215 application for an initial dealer registration submitted on or after
216 October 1, 2026, that the commissioner has already issued one dealer
217 registration for every two thousand five hundred residents of the town
218 in which the location that is to be operated under such dealer
219 registration will be located, as determined by the most recently
220 completed decennial census.

221 (4) A dealer registration issued under this section shall be renewed
222 annually, [and] except the department shall not renew a dealer
223 registration initially issued on or after October 1, 2026, if the department
224 determines that the applicant for renewal of such dealer registration
225 does not satisfy the criteria established in subparagraph (J) of
226 subdivision (1) of this subsection. A dealer registration issued under this
227 section may be suspended or revoked at the discretion of the
228 Department of Consumer Protection. A dealer registration shall not
229 constitute property, nor shall it be subject to attachment and execution,
230 nor shall it be alienable. Each holder of a dealer registration shall
231 annually attest in each renewal application as to whether such holder
232 derived at least fifty per cent of its annual gross revenue from sales of
233 cigarettes, drug paraphernalia, electronic nicotine delivery systems,
234 nicotine products, synthetic nicotine, tobacco products and vapor
235 products.

236 (5) The applicant shall pay to the department a nonrefundable
237 application fee of one thousand dollars, which fee shall be in addition to
238 the annual fee prescribed in subsection (d) of this section. An application

239 fee shall not be charged for an application to renew a dealer registration.

240 (d) The annual fee for a dealer registration shall be eight hundred
241 dollars.

242 (e) (1) The Department of Consumer Protection may renew a dealer
243 registration issued under this section that has expired if the applicant
244 pays to the department any late fee imposed by the Commissioner of
245 Consumer Protection pursuant to subsection (d) of section 21a-4, which
246 late fee shall be in addition to the fees prescribed in this section for the
247 dealer registration applied for.

248 (2) A person holding a dealer registration shall update, through the
249 Department of Consumer Protection's online licensing system, any
250 application information such person has provided to the department
251 pursuant to this section, including, but not limited to, any contact
252 information, ownership information or criminal histories of the
253 individual owners of the business entity, not later than thirty days after
254 any change in such information.

255 (3) A person holding a dealer registration shall be deemed to have
256 constructive notice of communications sent by the Commissioner of
257 Consumer Protection to an electronic mail address provided by such
258 person.

259 (f) (1) Any business entity in the state that sells, offers for sale or
260 possesses with intent to sell an electronic nicotine delivery system or
261 vapor product without a dealer registration as required under this
262 section shall, after a hearing conducted pursuant to chapter 54, be fined
263 not more than five thousand dollars per violation.

264 (2) Notwithstanding the provisions of subdivision (1) of this
265 subsection, any business entity with a dealer registration that has
266 expired for a period of ninety calendar days or less and that, during such
267 ninety-day period, sells, offers for sale or possesses with intent to sell an
268 electronic nicotine delivery system or vapor product shall be fined not
269 more than five hundred dollars for each day such business entity is in

270 violation of the provisions of this subdivision.

271 [(3) A person holding a dealer registration shall update, through the
272 Department of Consumer Protection's online licensing system, any
273 application information such person has provided to the department
274 pursuant to this section, including, but not limited to, any contact
275 information, ownership information or criminal histories of the
276 individual owners of the business entity, not later than thirty days after
277 any change in such information.]

278 (g) (1) For sufficient cause found as set forth in subdivision (2) of this
279 subsection, the Commissioner of Consumer Protection may suspend or
280 revoke a dealer registration, issue fines of not more than ten thousand
281 dollars per violation, accept an offer in compromise or refuse to grant or
282 renew a dealer registration, [or] place the registrant on probation, place
283 conditions on such registrant or take other actions authorized by law.
284 No information derived from an inspection or investigation conducted
285 by the Department of Consumer Protection related to an administrative
286 complaint or case shall be subject to disclosure under the Freedom of
287 Information Act, as defined in section 1-200, unless the department has
288 entered into a settlement agreement, or otherwise concluded its
289 investigation or inspection as evidenced by case closure. Nothing in this
290 subdivision shall be construed to prevent the department from sharing
291 any information with another state or federal agency or law
292 enforcement insofar as such information relates to an investigation of
293 any suspected violation of applicable law.

294 (2) Any of the following shall constitute sufficient cause for the
295 purposes of subdivision (1) of this subsection:

296 (A) Furnishing any false or fraudulent information in an application
297 or any failure to comply with the representations made in an
298 application;

299 (B) A civil judgment against, or conviction of, an owner or applicant,
300 after review and application of the denial criteria set forth in section 46a-
301 80;

302 (C) Any failure to maintain effective controls against diversion, theft
303 or loss of electronic nicotine delivery systems and vapor products;

304 (D) Any denial, suspension or revocation of a license or registration
305 related to the sale of cigarettes, electronic nicotine delivery systems,
306 tobacco products or vapor products, or any denial of a renewal of a
307 license or registration related to the sale of cigarettes, electronic nicotine
308 delivery systems, tobacco products or vapor products, by any federal,
309 state or local government or a foreign jurisdiction;

310 (E) Any false, misleading or deceptive representation made to the
311 public or to the department;

312 (F) Any involvement in a fraudulent or deceitful practice or
313 transaction;

314 (G) The possession, offer or sale of any illegal or controlled substance
315 by the registrant, any owner of the registrant or any person with a
316 financial interest in the registrant, unless otherwise permitted by
317 applicable law;

318 (H) Any failure to register a trade name of the business entity with
319 the town in which the registrant engages in business;

320 (I) Any failure to notify the department of any change in the
321 information concerning the business entity, owners, ownership
322 information or designated manager or supervisor;

323 (J) Any adverse administrative decision or delinquency assessment
324 against the registrant by the Department of Revenue Services;

325 (K) Any failure to cooperate, provide unfettered access to the location
326 or provide information to the department, local law enforcement
327 authorities or any other enforcement agency concerning any matter
328 arising out of conduct in connection with a licensee or registrant;

329 (L) Advertising an electronic nicotine delivery system or vapor
330 product in any manner that (i) is designed to appeal to individuals who

331 are younger than twenty-one years of age by, among other things, (I)
332 making use of any spokesperson or celebrity who appeals to individuals
333 who are under the legal age to purchase electronic nicotine delivery
334 systems or vapor products, (II) depicting any individual who is younger
335 than twenty-five years of age using an electronic nicotine delivery
336 system or vapor product, (III) including any object, such as a toy,
337 character or cartoon character, that suggests the presence of an
338 individual who is younger than twenty-one years of age, or (IV) making
339 use of any other depiction or method that is designed in any manner to
340 be appealing to an individual who is younger than twenty-one years of
341 age, or (ii) claims or implies that (I) any electronic nicotine delivery
342 system or vapor product has any curative or therapeutic effect, or (II)
343 any medical claim is true;

344 (M) Allowing an employee to promote any electronic nicotine
345 delivery system or vapor product for a wellness purpose; [or]

346 (N) Any failure to maintain records, or make records immediately
347 available to the department, in accordance with the provisions of
348 subdivision (4) of subsection (b) of this section; or

349 [(N)] (O) Any failure to comply with any provision of this chapter or
350 any regulation adopted pursuant to this chapter.

351 (h) (1) Upon refusal to issue or renew a dealer registration, the
352 Commissioner of Consumer Protection shall notify the applicant of the
353 denial and of the applicant's right to request a hearing not later than ten
354 days after the applicant receives the notice of denial. If the applicant
355 requests a hearing within such ten-day period, the commissioner shall
356 give notice of the grounds for the commissioner's refusal and shall
357 conduct a hearing concerning such refusal in accordance with the
358 provisions of chapter 54 concerning contested cases. If the
359 commissioner's denial is sustained after such hearing, the applicant
360 shall not apply for a new dealer registration for a period of one year after
361 the date on which such denial was sustained.

362 [(i)] (2) No person whose dealer registration has been revoked,

363 including the owners of such registrant, and any person with a financial
364 interest in such registrant, shall apply for a dealer registration or have a
365 financial interest in an applicant under this section for a period of one
366 year after the date of such revocation.

367 [(j)] (3) The voluntary surrender of a dealer registration, or the failure
368 to renew a dealer registration, shall not prevent the Commissioner of
369 Consumer Protection from suspending or revoking such dealer
370 registration or imposing other penalties permitted by applicable law.

371 (i) The Commissioner of Consumer Protection may impose a civil
372 penalty of not more than five thousand dollars for each electronic
373 nicotine delivery system and vapor product sold, offered for sale or
374 marketed in violation of this section. For purposes of this subdivision,
375 each such electronic nicotine delivery system or vapor product shall
376 constitute a separate violation.

377 (j) (1) Any electronic nicotine delivery system or vapor product sold,
378 offered for sale or marketed in violation of this section by a registrant
379 shall be deemed a common nuisance and shall be subject to immediate
380 seizure by the state or local police. The authorized officer shall hold such
381 electronic nicotine delivery system or vapor product subject to
382 confiscation and destruction by order of a court of competent
383 jurisdiction. All costs of such seizure, confiscation and destruction shall
384 be borne by the registrant selling, offering for sale or marketing such
385 electronic nicotine delivery system or vapor product.

386 (2) Any controlled substance or cannabis sold, offered for sale or
387 marketed by a registrant in violation of chapter 420b, 420f or 420h, as
388 applicable, or regulations adopted thereunder, shall be subject to the
389 provisions of subdivision (1) of this subsection.

390 (k) A violation of this section shall be an unfair trade practice
391 pursuant to subsection (a) of section 42-110b.

392 [(k)] (l) All fees, settlement amounts and fines collected under this
393 section shall be deposited in the consumer protection enforcement

394 account established in section 21a-8a.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	21a-415

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill allows the Department of Consumer Protection to issue a civil penalty of up to \$5,000 for each electronic nicotine delivery system and vapor product sold that violates the provisions of the bill, resulting in a potential revenue gain to the General Fund to the extent violations occur.

The bill also makes various changes regarding dealers of electronic nicotine delivery systems and vapor products which do not have a fiscal impact.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

OLR Bill Analysis**sHB 5228 (as amended by House "A")******AN ACT CONCERNING ELECTRONIC NICOTINE DELIVERY SYSTEM AND VAPOR PRODUCT DEALERS.*****SUMMARY**

This bill expands the requirements for businesses that sell electronic nicotine delivery systems (ENDS) or vapor products, commonly known as e-cigarette dealers. By law, e-cigarette dealers must have a dealer registration for each of their business locations and renew it annually. Among other things, the bill:

1. expands the individual owners who must provide their contact information and a third-party background check as part of a dealer's application to include anyone with at least 5%, rather than 10%, ownership or interest rights;
2. expands the information dealer registration applicants must provide to include a certification that the ENDS or vapor products they sell comply with federal and state laws;
3. generally expands the circumstances under which the Department of Consumer Protection (DCP) may deny a dealer's registration or take other enforcement actions, including when certain dealers use more than 25% of their retail space to sell certain nicotine products or when a business proposes to locate in a municipality that already has a dealer for every 2,500 residents;
4. extends the existing one-year reapplication prohibition to anyone with a financial interest in the e-cigarette dealer and prohibits anyone whose dealer registration was revoked from having a

financial interest in another applicant for one year after the revocation date;

5. authorizes the DCP commissioner to impose a civil penalty of up to \$5,000 for each ENDS or vapor product sold in violation of the dealer registration law and requires these products to be deemed a common nuisance and subject to seizure by police;
6. specifies that registered e-cigarette dealers are deemed to have constructive notice of communications the DCP commissioner sends to an email address they provided;
7. makes violations of the dealer registration law a violation of the Connecticut Unfair Trade Practices Act (CUTPA, see BACKGROUND); and
8. makes technical and conforming changes.

*House Amendment "A" adds the provisions (1) expanding the information that must be provided to DCP, (2) adding reasons for denying a registration, (3) extending the reapplication prohibition, (4) implementing penalties, and (5) on constructive notice.

EFFECTIVE DATE: October 1, 2026

INDIVIDUAL OWNERS

Existing law generally requires anyone applying for an initial or renewal e-cigarette dealer registration to provide the name and contact information and a third-party background check for the business's individual owners (those with a direct or indirect financial interest in the applicant). The bill expands this requirement to cover anyone with at least 5%, rather than 10%, ownership or interest rights in the business. As under current law, this includes the total financial interest held by the individual owner and his or her spouse, parents, and children.

As under existing law, applicants do not need to provide this information if they are a publicly traded company listed on a national

stock exchange.

GROUND FOR DENYING AN INITIAL OR RENEWAL DEALER REGISTRATION

Under current law, the DCP commissioner must issue a dealer registration within 30 days of the application unless he makes certain findings. The bill extends the same timeframe and reasons for denying a dealer registration to renewals and expands the reasons for a denial to include the following:

1. if an individual owner named in the application made materially false or misleading statements in a DCP application, rather than just the applicant;
2. if the business owner's or named designee's criminal background check is sufficient for denying the registration under the existing law that prohibits state-issued credentials because of a prior criminal conviction, rather than if the commissioner finds that the applicant has a criminal history sufficient to disqualify him or her for a state-issued credential under this law; and
3. if the applicant, its authorized owner, or any entity owned or managed by any individual owner named in the application (a) committed multiple violations of the e-cigarette dealer law, (b) is subject to a delinquency assessment by the Department of Revenue Services, or (c) is the subject of any other adverse determination by a government agency, rather than if the applicant violated any other provision of the e-cigarette dealer law.

The bill also adds to the grounds for DCP to deny initial registrations (but not renewals) submitted on or after October 1, 2026, to include when the proposed business is located in a municipality that already has one dealer for every 2,500 residents based on the most recently completed decennial census.

DEALERS THAT PRIMARILY SELL CERTAIN NICOTINE PRODUCTS

The bill adds to the reasons for DCP to deny an initial or dealer registration to include when the applicant (1) has over 50% of annual gross revenue from sales of certain nicotine-related products and (2) uses more than 25% of retail sales area for selling these products.

Under the bill, for initial registrations, the applicant must certify that no more than (1) 50% of the applicant's annual gross revenue at the location will come from sales of cigarettes, drug paraphernalia, ENDS, nicotine products, synthetic nicotine, tobacco products, and vapor products and (2) 25% of the total floor area dedicated to sales at the location will be dedicated to sales of these products. For renewals, the applicant must submit the information DCP requires to determine these thresholds, which tie back to the prior registration period's sales, and the bill specifically requires DCP to deny the renewal if these thresholds are exceeded.

The bill also requires these dealers to maintain the floor space information, subject to DCP inspection and copying, including floor plans showing the total floor area dedicated to sales and the portion dedicated to sales of the products listed above.

REGISTRATION REQUIREMENTS

The bill expands the information applicants for an initial or renewal e-cigarette dealer registration must provide to include a certification that the ENDS and vapor products they offer for sale comply with federal and state law, including the federal Food, Drug and Cosmetic Act's requirement for tobacco products.

SUFFICIENT CAUSE FOR DCP ENFORCEMENT ACTIONS

Current law allows the DCP commissioner to take certain actions against an e-cigarette dealer for sufficient cause, including suspending, revoking, or refusing to grant or renew their registration. Under current law, sufficient cause includes illegally possessing, offering, or selling any illegal or controlled substance. The bill specifies that this applies to

the registrant, its owner, or anyone with a financial interest in the registrant (presumably the individual owners named in the application, as described above).

The bill also makes any failure to maintain records or to make them immediately available to DCP sufficient cause for enforcement action.

REAPPLICATION PROHIBITION

Current law prohibits anyone whose dealer registration was revoked, including the registrant's owners, from applying for a dealer registration for one year after the revocation date. The bill (1) extends this reapplication prohibition to anyone with a financial interest in the registrant and (2) bars anyone whose dealer registration was revoked from having a financial interest in another applicant for one year after the revocation date.

CIVIL PENALTY

The bill authorizes the DCP commissioner to impose a civil penalty of up to \$5,000 for each ENDS and vapor product sold, offered for sale, or marketed in violation of the dealer registration law. Each of these products is a separate violation.

SEIZURE OF PRODUCTS IN VIOLATION OF THE LAW

Under the bill, any ENDS or vapor products sold, offered for sale, or marketed in violation of the dealer registration law, as well as any controlled substance or cannabis sold, offered for sale, or marketed by a dealer in violation of state law, are a common nuisance and subject to immediate seizure by state or local police.

The officers must hold the products subject to confiscation and destruction by a court order and the seller or marketer is liable for all seizure, confiscation, and destruction costs.

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and

deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney’s fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

Related Bills

sSB 231 (File 174), favorably reported by the General Law Committee, adds additional reasons for DCP to deny an e-cigarette dealer registration.

sHB 5539 (File 671), favorably reported by the Finance, Revenue and Bonding Committee, has similar provisions on expanded contact information, compliance certification, circumstances in which DCP may deny registration, reapplication prohibition, civil penalties, and constructive notice.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/11/2026)