

SENATE BILL NO. 244—SENATOR JACOBSEN (BY REQUEST)

FEBRUARY 23, 1999

Referred to Committee on Taxation

SUMMARY—Makes various changes relating to sale of cigarettes. (BDR 32-1190)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

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EXPLANATION —Matter in **bold italics** is new ; matter between brackets ~~is material to be omitted.~~

AN ACT relating to taxation; revising the provisions governing the payment of wholesale dealers for cigarettes and other tobacco products; prohibiting certain actions regarding cigarettes manufactured for export outside the United States; providing a penalty; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 370 of NRS is hereby amended by adding thereto a
- 2 new section to read as follows:
- 3 **1. A wholesale or retail dealer shall not:**
- 4 **(a) Affix Nevada cigarette revenue stamps or metered machine**
- 5 **impressions on;**
- 6 **(b) Sell or distribute in this state; or**
- 7 **(c) Possess in this state with the intent to sell or distribute in this**
- 8 **state,**
- 9 **cigarettes manufactured for export outside the United States.**
- 10 **2. The department may impose a penalty on a wholesale or retail**
- 11 **dealer who violates subsection 1 as follows:**
- 12 **(a) For the first violation, a penalty of \$5,000.**
- 13 **(b) For each subsequent violation, a penalty of \$10,000.**
- 14 **3. As used in this section, “cigarettes manufactured for export**
- 15 **outside the United States” means cigarettes contained in a package or**
- 16 **carton which indicates that the cigarettes are tax exempt and for use**
- 17 **outside the United States.**

1 **Sec. 2.** NRS 370.001 is hereby amended to read as follows:

2 370.001 As used in NRS 370.005 to 370.430, inclusive, **and section 1**
3 **of this act**, unless the context otherwise requires, the words and terms
4 defined in NRS 370.005 to 370.055, inclusive, have the meanings ascribed
5 to them in those sections.

6 **Sec. 3.** NRS 370.070 is hereby amended to read as follows:

7 370.070 The provisions of NRS 370.001 to 370.430, inclusive, **and**
8 **section 1 of this act** do not apply to common carriers while engaged in
9 interstate commerce which sell or furnish cigarettes on their trains, buses or
10 airplanes.

11 **Sec. 4.** NRS 370.505 is hereby amended to read as follows:

12 370.505 1. A retail dealer shall pay a wholesale dealer for all
13 cigarettes and other tobacco products purchased from the wholesale dealer
14 ~~for~~:

15 ~~—(a) If the cigarettes or other tobacco products were delivered to the retail~~
16 ~~dealer on or after the 1st day of the month but before the 16th day of the~~
17 ~~month, on or before the 29th day of the same month; and~~

18 ~~—(b) If the cigarettes or other tobacco products were delivered to the retail~~
19 ~~dealer on or after the 16th day of the month but before the 1st day of the~~
20 ~~next month, on or before the 14th day of the next month.]~~ **on or before the**
21 **14th calendar day after the date of delivery, as indicated on the invoice.**

22 2. A wholesale dealer shall not extend credit or otherwise allow a retail
23 dealer to violate the provisions of subsection 1.

24 3. The department may impose a penalty on a **retail dealer who**
25 **violates subsection 1 or a** wholesale dealer who violates ~~the provision of~~
26 subsection 2 as follows:

27 (a) For the first violation, a penalty of \$500.

28 (b) For a second or subsequent violation, if paragraph (c) does not
29 apply, a penalty of \$1,000.

30 (c) For a third or subsequent violation within any 12-month period, a
31 penalty of \$5,000 or suspension or revocation of the license of the
32 ~~wholesale~~ dealer, or both.

33 4. Pursuant to a written complaint or upon its own motion, the
34 department shall investigate an alleged violation of subsection **1 or 2**. The
35 department shall give notice to the alleged violator and conduct a hearing,
36 if warranted by the investigation. The department may assess a penalty
37 pursuant to subsection 3, if it determines that the ~~wholesale~~ dealer
38 violated the provisions of subsection **1 or 2**.