Introduced by Assembly Member Koretz (Principal coauthor: Senator Dunn) (Coauthors: Assembly Members Chu, Hancock, Lieber, Maldonado, Nation, and Vargas)

(Coauthor: Senator Kuehl)

January 29, 2003

An act to amend Sections 17537.3, 22952, 22956, 22958, and 22963 of, and to add Section 22964 to, the Business and Professions Code, and to amend Section 308 of the Penal Code, relating to tobacco.

LEGISLATIVE COUNSEL'S DIGEST

AB 221, as introduced, Koretz. Tobacco products: minimum legal age: advertising, display, and distribution limitations.

Existing law prohibits persons from making various promotional or advertising offers of smokeless tobacco products without taking specified actions to ensure that the product is not available to persons under 18 years of age.

This bill would extend the applicability of those provisions to persons under 21 years of age, except those born before January 1, 1986.

The Stop Tobacco Access to Kids Enforcement (STAKE) Act is designed to reduce the availability of tobacco products to minors through specified sales restrictions and enforcement activities. The act, among other things, prohibits the furnishing of tobacco products to, and the purchase of tobacco products by, any person under the age of 18 years, authorizes the assessment of civil penalties of a violation of the act, and makes the violation of the act a criminal offense.

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This bill would extend the applicability of the act to persons under the age of 21 years, except for those who were born before January 1, 1986. Because this bill would change the definition of a crime, it would create a state-mandated local program.

The act requires the State Department of Health Services to conduct random, onsite sting inspections at retail sites, and requires the department to enlist the assistance of persons who are 15 and 16 years of age for this purpose.

This bill would, instead, authorize the department, until January 1, 2007, to enlist the assistance of persons who are 15 and 16 years of age, and, on and after January 1, 2007, to enlist the assistance of persons under 21 years of age, for these inspections.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- SECTION 1. The Legislature finds and declares the following:
- 3 (a) Tobacco kills 480,000 Americans every year, causing more deaths than AIDS, alcohol abuse, illegal drug use, auto accidents, firearms accidents, fires, homicides, and suicides combined.
 - (b) Youth smoking has been identified as one of the most important health care problems, and beginning to smoke as an adolescent is the most important cause of a lifetime smoking addiction.
 - (c) Three states, Alabama, Alaska, and Utah, have raised the minimum legal age for smoking above that required by California.
 - (d) Increasing the legal minimum sale age for tobacco will reduce the number of older youth who smoke and will help reduce sales of tobacco to younger children.
- 15 (e) Studies and surveys have shown that when states increased 16 the legal minimum sale age for alcohol, drinking by high school

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seniors fell by over a third and daily drinking in the same group fell more than 50 percent.

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- (f) According to a United States Surgeon General report, smokers have sampled cigarettes at the median age of 14 years but did not begin to smoke daily until the age of 18 years, and a small percentage began smoking after the age of 21 years.
- (g) According to the American Lung Association, approximately 90 percent of smokers begin smoking before the age of 21 years, and those who begin smoking at an early age are more likely to develop a severe level of addiction to nicotine than those who start at a later age.
- (h) The legal minimum sale age for alcohol in California is 21 years of age, and persons under 21 years of age have visibly different drivers' licenses. Raising the legal minimum age required to purchase tobacco would ease the ability of merchants and vendors to check identification and would establish a uniform age for the purchase of both of these legal drugs.
- (i) The state should continue its commitment to vigorous antitobacco education efforts and strict enforcement of existing laws limiting access by youth to tobacco products.
- (j) It is in the interest of the public health to prevent adolescents from taking up the deadly habit of smoking in order to prevent their addiction to nicotine later in life.
- SEC. 2. Section 17537.3 of the Business and Professions Code is amended to read:
 - 17537.3. The following acts are prohibited:
- (a) For any person to offer make, as part of an advertising plan or program, any promotional offers-offer of any smokeless tobacco products which require product that requires proof of purchase of a smokeless tobacco product unless it-that product carries a designation that the offer is not available to minors any person under the age of 21 years. Each promotional offer shall include in any mail-in coupon a statement requesting purchasers to verify that the purchaser is 18-21 years of age or older.
- (b) For any person to honor any mail-in and or telephone 36 requests request for any promotional offers of offer of any smokeless tobacco product unless appropriate efforts are made to ascertain that a purchaser is over 18-21 years of age. For purposes of this subdivision, appropriate efforts to ascertain the

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age of a purchaser include, but is are not limited to, requests for a purchaser's birth date.

- (c) For any person by any means, as part of an advertising plan or program, to distribute *any* free samples—sample of *any* smokeless tobacco-products product within a two-block two-block radius of any premises or facilities whose primary purpose is directed toward persons under the age of 18-21 years including, but not limited to, schools, clubhouses, and youth centers, when those premises are being used for their primary purposes.
- (d) For any person to distribute, as part of any advertising plan or program, *any* unsolicited samples sample of *any* smokeless tobacco products product through a mail campaign.
- (e) This section shall not be construed to prohibit any promotional offer of any smokeless tobacco product, the honoring of that promotional offer, or the distribution of samples, to any person who was born before January 1, 1986.
- SEC. 3. Section 22952 of the Business and Professions Code is amended to read:
- 22952. On or before July 1, 1995, the *The* State Department of Health Services shall do all of the following:
- (a) Establish and develop a program to reduce the availability of tobacco products to persons under 18–21 years of age through the enforcement activities authorized by this division.
- (b) Establish requirements that retailers of tobacco products post conspicuously, at each point of purchase, a notice stating that selling tobacco products to anyone under 18–21 years of age is illegal and subject to penalties *unless otherwise specified by law*. The notice shall also state that the law requires that all persons selling tobacco products check the identification of any purchaser of tobacco products who reasonably appears to be under 18–21 years of age. The warning signs notice shall include a toll-free telephone number to the state department for persons to report unlawful sales of tobacco products to minors any person under 21 years of age who was not born before January 1, 1986.
- (c) Provide that *the* primary responsibility for enforcement of this division shall be with the state department. In carrying out its enforcement responsibilities, the state department shall conduct random, onsite sting inspections at retail sites and shall sites. *Until January 1, 2007, the state department may* enlist the assistance of persons-that-who are 15 and 16 years of age in conducting these

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enforcement activities. On and after January 1, 2007, the state department may enlist the assistance of persons who are under 21 years of age in conducting these enforcement activities. The state department may conduct onsite sting inspections in response to public complaints or at retail sites where violations have previously occurred, and may investigate illegal sales of tobacco products to minors any person under 21 years of age by telephone, mail, or the Internet. Participation in these enforcement activities by a-any person under 18-21 years of age shall not constitute a violation of subdivision (b) of Section 308 of the Penal Code for the person under 18-21 years of age, and the person under 18-21 years of age is immune from prosecution thereunder under that section, or under any other provision of law prohibiting the purchase of these products by a person under 18-21 years of age.

(d) In accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the state department shall adopt and publish guidelines for the use of persons under 18–21 years of age in inspections conducted pursuant to subdivision (c) that shall include, but not be limited to, all of the following:

- (1) The state department and any local law enforcement agency under an enforcement delegation contract with the department may use persons under 18 21 years of age who are 15 or 16 years of age in random inspections to determine if sales of cigarettes or other tobacco products are being made to persons under 18 21 years of age.
- (2) A photograph or video recording, pursuant to this section, of the person under 18 21 years of age shall be taken prior to each inspection or shift of inspections and retained by the department or the local law enforcement agency under an enforcement delegation contract with the department for purposes of verifying appearances.
- (3) The state department or a local law enforcement agency under an enforcement delegation contract with the department may use video recording equipment when conducting the inspections to record and document illegal sales or attempted *illegal* sales.
- (4) The person under 18-21 years of age, if questioned about his or her age, need not state his or her actual age but shall present a true and correct identification if verbally asked to present it. Any

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failure on the part of the person under 18-21 years of age to provide true and correct identification, if verbally asked for it, shall be a defense to any action pursuant to this section.

- (5) The person under 18-21 years of age shall be under the supervision of a regularly employed peace officer during the inspection.
- (6) All persons under $\frac{18}{21}$ years of age used in this manner by the department or a local law enforcement agency under an enforcement delegation contract with the department shall display the appearance of a person under 18 21 years of age. It shall be a defense to any action under this division that the person's appearance was not that which could be generally expected of a person under 18 21 years of age, under the actual circumstances presented to the seller of the cigarettes any cigarette or other tobacco products product at the time of the alleged offense.
- (7) Following the completion of the sale, the peace officer accompanying the person under 18-21 years of age shall reenter the retail establishment and inform the seller of the random inspection and following inspection. Following an attempted sale, the department shall notify the retail establishment of the inspection.
- (8) Failure to comply with the procedures set forth in this subdivision shall be a defense to any action brought pursuant to this section.
- (e) Be responsible for ensuring and reporting the state's compliance with Section 1926 of Title XIX of the federal Public Health Service Act (42 U.S.C. 300x-26) and any implementing regulations adopted in relation thereto by the United States Department of Health and Human Services. A copy of this any report pursuant to this subdivision shall be made available to the Governor and the Legislature.
- (f) Provide that any civil penalties imposed pursuant to Section 22958 shall be enforced against the owner or owners of the retail business and not *against* the employees of the business.
- SEC. 4. Section 22956 of the Business and Professions Code 36 is amended to read:
 - 22956. All persons Any person engaging in the retail sale of any tobacco products product shall check the identification of any tobacco-purchasers purchaser, in order to establish-ascertain the

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age of the purchaser, if the purchaser reasonably appears to be under 18-21 years of age.

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- SEC. 5. Section 22958 of the Business and Professions Code is amended to read:
- 22958. (a) The state department may assess civil penalties against any person, firm, or corporation that sells, gives, or in any way furnishes to another person who is under the age of 18 years 21 years, except any person born before January 1, 1986, any tobacco, cigarette, or cigarette papers, or any other instrument or paraphernalia that is designed for the smoking or ingestion of tobacco, products any product prepared from tobacco, or any controlled substance, according to the following schedule: (1) a civil penalty of from two hundred dollars (\$200) to three hundred dollars (\$300) for the first violation, (2) a civil penalty of from six hundred dollars (\$600) to nine hundred dollars (\$900) for the second violation within a five-year period, (3) a civil penalty of from one thousand two hundred dollars (\$1,200) to one thousand eight hundred dollars (\$1,800) for a third violation within a five-year period, (4) a civil penalty of from three thousand dollars (\$3,000) to four thousand dollars (\$4,000) for a fourth violation within a five-year period, or (5) a civil penalty of from five thousand dollars (\$5,000) to six thousand dollars (\$6,000) for a fifth or subsequent violation within a five-year period.
- (b) The state department shall assess penalties in accordance with the schedule set forth in subdivision (a) against any person, firm, or corporation that sells, offers for sale, or distributes *any* tobacco products *product* from a cigarette or tobacco products vending machine, or *against* any person, firm, or corporation that leases, furnishes, or services these machines in violation of Section 22960.
- (c) The state department shall assess penalties in accordance with the schedule set forth in subdivision (a) against any person, firm, or corporation that advertises or causes to be advertised any tobacco product on any outdoor billboard in violation of Section 22961.
- (d) If a civil penalty has been assessed pursuant to this section against any person, firm, or corporation for a single, specific violation of this division, the person, firm, or corporation shall not be prosecuted under Section 308 of the Penal Code for a violation based on the same facts or specific incident for which the civil

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penalty was assessed. If any person, firm, or corporation has been prosecuted for a single, specific violation of Section 308 of the Penal Code, the person, firm, or corporation shall not be assessed a civil penalty under this section based on the same facts or specific incident upon which the prosecution under Section 308 of the Penal Code was based.

- (e) (1) In the case of a corporation or business with more than one retail location, to determine the number of accumulated violations for purposes of the penalty schedule set forth in subdivision (a), violations of this division by one retail location shall not be accumulated against *any* other retail locations of that same corporation or business.
- (2) In the case of a retail location that operates pursuant to a franchise, as defined in Section 20001, violations of this division accumulated and assessed against a prior owner of a single franchise location shall not be accumulated against a new owner of the same single franchise location for purposes of the penalty schedule set forth in subdivision (a).
- (f) Proceedings under this section shall be conducted in accordance with Section 100171 of the Health and Safety Code.
- SEC. 6. Section 22963 of the Business and Professions Code is amended to read:
- 22963. (a) The distribution or sale of tobacco products directly or indirectly to any person under the age of 18–21 years through the United States Postal Service or through any other public or private postal or package delivery service at locations, including, but not limited to, public mailboxes and mailbox stores, is prohibited.
- (b) Any person selling or distributing tobacco products directly to a consumer in the state through the United States Postal Service or by any other public or private postal or package delivery service, including orders placed by mail, telephone, facsimile transmission, or the Internet, shall comply with the following provisions:
- (1) (A) Before enrolling a person as a customer or distributing or selling the tobacco product through any of these means, the distributor or seller shall verify that the purchaser is 18–21 years of age or older. The distributor or seller shall attempt to match the name, address, and date of birth provided by the customer to information contained in records in a database of individuals

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whose age has been verified to be 18-21 years or older by reference to an appropriate database of government records kept by the distributor, a direct marketing firm, or any other entity. The distributor or seller shall also verify that the billing address on the check or credit card offered for payment by the purchaser matches the address listed in the database.

- (B) If the distributor or seller is unable to verify that the purchaser is 18-21 years of age or older pursuant to subparagraph (A), he or she shall require the customer to submit an age-verification kit consisting of an attestation signed by the customer that he or she is 18-21 years of age or older and a copy of a valid form of government identification. For the purposes of this section, a valid form of government identification includes a driver's license, state identification card, passport, an official naturalization or immigration document, such as an alien registration receipt card (commonly known as a "green card") or an immigrant visa, or military identification. The distributor or seller shall also verify that the billing address on the check or credit card provided by the consumer matches the address listed in the form of government identification.
- (2) The distributor or seller shall impose a two-carton minimum on each order of cigarettes, and shall require payment for the purchase of any tobacco product to be made by personal check of the purchaser or the purchaser's credit card. No money order or cash payment shall be received or permitted. The distributor or seller shall submit to each credit card acquiring company with which it has credit card sales identification information in an appropriate form and format so that the words "tobacco product" may be printed in the purchaser's credit card statement when a purchase of a tobacco product is made by credit card payment.
- (3) The distributor or seller shall make a telephone call after 5 p.m. to the purchaser confirming the order prior to shipping the tobacco products. The telephone call may be a person-to-person call or a recorded message. The distributor or seller is not required to speak directly with a person and may leave a message on an answering machine or by voice mail.
- (4) The distributor or seller shall deliver the tobacco product to the purchaser's verified billing address on the check or credit card

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used for payment. No delivery described under this section shall be permitted to any post office box.

- (c) Notwithstanding subdivisions (a) and (b), if a distributor or seller complies with all of the requirements of this section and a minor person under the age of 21 years, except any person born before January 1, 1986, obtains a tobacco product by any of the means described in subdivision (b), the seller or distributor is not in violation of this section.
- (d) For the purposes of the enforcement of this section pursuant 10 to Section 22958, the acts of the United States Postal Service or other common carrier when engaged in the business of transporting and delivering packages for others, and the acts of a person, whether compensated or not, who transports or delivers a package for another person without any reason to know of the package's contents, are not unlawful and are not subject to civil penalties.
 - (e) (1) For the purposes of this section, a "distributor" is any person or entity, within or outside the state, who agrees to distribute tobacco products to a customer within the state. The United States Postal Service or any other public or private postal or package delivery service are is not distributors a distributor within the meaning of this section.
 - (2) For the purpose of this section, a "seller" is any person or entity, within or outside the state, who agrees to sell tobacco products to a customer within the state. The United States Postal Service or any other public or private postal or package delivery service are is not sellers a seller within the meaning of this section.
 - (3) For the purpose of this section, a "carton" is a package or container that contains 200 cigarettes.
 - (f) A district attorney, city attorney, or the Attorney General may assess civil penalties against any person, firm, corporation, or other entity that violates this section, according to the following schedule:
 - (1) A civil penalty of not less than one thousand dollars (\$1,000) and not more than two thousand dollars (\$2,000) for the first violation.
 - (2) A civil penalty of not less than two thousand five hundred dollars (\$2,500) and not more than three thousand five hundred dollars (\$3,500) for the second violation.

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(3) A civil penalty of not less than four thousand dollars (\$4,000) and not more than five thousand dollars (\$5,000) for the third violation within a five-year period.

- (4) A civil penalty of not less than five thousand five hundred dollars (\$5,500) and not more than six thousand five hundred dollars (\$6,500) for the fourth violation within a five-year period.
- (5) A civil penalty of ten thousand dollars (\$10,000) for a fifth or subsequent violation within a five-year period.
- SEC. 7. Section 22964 is added to the Business and Professions Code, to read:
- 22964. The provisions of this division shall not be construed to prohibit a city or county from enacting laws with respect to the legal age to purchase or possess any tobacco product as long as they are at least as stringent as state law.
 - SEC. 8. Section 308 of the Penal Code is amended to read:
- 308. (a) (1) Every person, firm, or corporation which that knowingly, or under circumstances in which it has knowledge, or should otherwise have grounds for knowledge, sells, gives, or in any way furnishes to another person who is under the age of 18 years 21 years, except for any person born before January 1, 1986, any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking or ingestion of tobacco, products any product prepared from tobacco, or any controlled substance, is subject to either a criminal action for a misdemeanor or to a civil action brought by a city attorney, a county counsel, or a district attorney, punishable by a fine of two hundred dollars (\$200) for the first offense, five hundred dollars (\$500) for the second offense, and one thousand dollars (\$1,000) for the third offense.

Notwithstanding

(2) Notwithstanding Section 1464 or any other provision of law, 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the office of the city attorney, county counsel, or district attorney, whoever who is responsible for bringing the successful action, and 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the city or county for the administration and cost of the community service work component provided in subdivision (b).

Proof

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(3) Proof that a defendant, or his or her employee or agent, demanded, was shown, and reasonably relied upon, evidence of majority shall be a defense to any action brought pursuant to this subdivision. Evidence of majority of a that a person is 21 years of age or older or was born before January 1, 1986, may be a facsimile of or a reasonable likeness of a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Federal Selective Service Act, or an identification card issued to a member of the Armed Forces indicating the person is 21 years of age or older or was born before January 1, 1986.

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- (4) For purposes of this section, the person liable for selling or furnishing tobacco products to minors any person under the age of 21 years or a person born on or after January 1, 1986, by a tobacco vending machine shall be the person authorizing the installation or placement of the tobacco vending machine upon premises he or she manages or otherwise controls and under circumstances in which he or she has knowledge, or should otherwise have grounds for knowledge, that the tobacco vending machine will be utilized by minors any person under the age of 21 years or a person born on or after January 1, 1986.
- (b) Every person under the age of 18 years 21 years, except for any person born before January 1, 1986, who purchases, receives, or possesses any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking of tobacco, products—any product prepared from tobacco, or any controlled substance shall, upon conviction, be punished by a fine of seventy-five dollars (\$75) or 30 hours of community service work.
- (c) Every person, firm, or corporation which that sells, or deals in tobacco or any preparation thereof, shall post conspicuously, and keep so posted in his, her, or their place of business, at each point of purchase, the notice required pursuant to subdivision (b) of Section 22952 of the Business and Professions Code, and any person failing to do so shall, upon conviction, be punished by a fine of ten dollars (\$10) for the first offense and fifty dollars (\$50) for each succeeding violation of this provision offense, or by imprisonment for not more than 30 days.

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(d) For purposes of determining the liability of persons, firms, or corporations—any person, firm, or corporation controlling franchises or business operations in multiple locations, for the second and subsequent violations of this section, each individual franchise or business location shall be deemed a separate entity.

- (e) It is the Legislature's intent to regulate the subject matter of this section. As a result, no city, county, or city and county shall adopt any ordinance or regulation inconsistent with this section.
- (f) Notwithstanding any other provision of this section, the Director of Corrections may sell or supply tobacco and tobacco products, including cigarettes and cigarette papers, to any person confined in any institution or facility under his or her jurisdiction who has attained the age of 16 years, if the parent or guardian of the person consents thereto, and may permit smoking by the person in any institution or facility. No officer or employee of the Department of Corrections shall be considered to have violated this section by any act authorized by this subdivision.
- SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.