

LAWS OF DELAWARE
VOLUME 81
CHAPTER 55
149th GENERAL ASSEMBLY
FORMERLY
HOUSE BILL NO. 242

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO TOBACCO PRODUCT, INCLUDING VAPOR PRODUCT, TAXATION AND LICENSING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

Section 1. Amend Chapter 53, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Chapter 53. Tobacco Product ~~Tax~~ Taxation and Licensing.

Section 2. Amend § 5301, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 5301. Definitions.

As used in this chapter:

(1) "Affixing agent" means any tobacco products dealer or any other person within or without this State appointed by the Department of Finance as an agent to affix the stamps to be used in paying the excise tax imposed by this chapter. The first vendor who has possession of unstamped tobacco products in this State for sale in this State ~~shall be~~ is deemed an affixing agent.

(2) "Cigar" means any roll for smoking which is not a cigarette and which is made wholly or in part of tobacco or any substitute therefor when the cover of the roll is made chiefly of tobacco.

(2) (3) "Cigarette" means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape, and irrespective of the tobacco being flavored, adulterated adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

(5) (6) "Distributor" means any of the following:

a. Any person engaged in the business of selling tobacco products in this State who brings or causes to be brought into this State from without the State any tobacco products for ~~sale~~; sale.

b. Any person who makes, ~~manufactures~~ manufactures, or fabricates tobacco products in this State for sale in this ~~State~~; State.

c. Any person engaged in the business of selling tobacco products without this State who ships or transports tobacco products to retail dealers in this State to be sold by those retail dealers.

(7) "Electronic smoking device" means a nonlighted, noncombustible device that employs a mechanical heating element, battery, or circuit, regardless of shape or size, to produce aerosolized or vaporized nicotine for inhalation into the body of an individual. "Electronic smoking device" includes a device that is manufactured, distributed, marketed, or sold as an e-cigarette, e-cigar, e-pipe, e-hookah, vape pen, or any other similar product with any other product name or descriptor.

(6) (8) "Moist snuff" means any finely cut, ground ground, or powdered tobacco that is not intended to be ~~smoked~~ but shall smoked, but does not include any finely cut, ~~ground~~ ground, or powdered tobacco that is intended to be placed in the nasal cavity.

(8) (10) "Place of business" means any place where tobacco products are sold, or where tobacco products are bought or kept for the purpose of sale or consumption, including, so far as applicable, any vessel, airplane, train train, or vending machine dispensing tobacco products.

(10) (12) "Sale" means in addition to its usual meaning, any sale, transfer, exchange, theft, barter, gift gift, or offer for sale and distribution, in any manner or by any means whatsoever.

(12) (14) "Smokeless tobacco products" mean means all products, other than moist snuff, made primarily of tobacco for individual consumption, not intended to be smoked.

(13) (15) "Tobacco products" means all products, including but not limited to, cigarettes, cigars and pipe tobacco products made primarily from tobacco for individual consumption consumption, including cigarettes, cigars, pipe tobacco, and vapor products.

(14) ~~(16)~~ "Tobacco product tax stamps" means any adhesive stamps, tax meter ~~impression~~ impression, or other stamps, ~~labels~~ labels, or prints authorized by the Department of Finance to evidence the payment of the tax imposed by this chapter.

(20) "Vapor product" means any nicotine liquid solution or other material containing nicotine that is intended to be used with or in an electronic smoking device.

(22) "Wholesale price" means the price for which a manufacturer sells a tobacco product to a distributor exclusive of any discount, rebate, or other reduction.

Section 3. Amend § 5305, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5305. Levy of tax, limitation; exemption.

(a) An excise tax is imposed and assessed upon the sale or use of cigarettes within this State at the rate of ~~80.0 mills~~ 105 mills per cigarette. This tax ~~shall apply~~ applies only once to the same pack of cigarettes. In the event the tax computed according to this subsection results in a tax per pack or other unit of sale to which this tax applies involving a fraction of a cent, the tax applicable to that pack or other unit ~~shall be~~ must be computed by rounding the tax to the next higher whole cent.

(b) A tax is imposed and assessed upon the sale or use of ~~all tobacco products other than moist snuff and cigarettes, and including, but not limited to, smokeless tobacco products and cigars~~ all tobacco products, except those tobacco products taxed under subsection (a) or (c) of this section, within this State at the rate of ~~45%~~ 30% of the wholesale price on such products.

(c)(1) A tax is imposed and assessed upon the sale or use of moist snuff within this State at the rate of ~~54 cents~~ 92 cents per ounce and a proportionate tax at the like rate on any fractional parts of an ounce. ~~Such tax shall be~~ The per ounce tax imposed under this subsection must be computed based on the net weight as listed by the manufacturer.

(2) An excise tax is imposed and assessed upon the sale or use of vapor products within this State at the rate of 5 cents per fluid milliliter of vapor product. The tax imposed by this paragraph (c)(2) of this section must be computed based on the amount of vapor product in milliliters as listed by the manufacturer. All invoices for vapor products issued by a manufacturer must state the amount of vapor product in milliliters.

(d) No tax imposed by this chapter ~~shall be~~ may be levied upon the possession or sale of tobacco products which this State is prohibited from taxing under the Constitution or statutes of the United States.

(e) If the seller and purchaser have registered with the Department and obtained exemption certificates, the following sales are exempt:

(1) Sales to veterans' organizations approved by the Department, if the tobacco products are being purchased by the organization for gratuitous issue to veteran patients in federal, ~~state~~ state, or state-aided hospitals;

(2) Sales to patients in Veterans' Administration Hospitals by retail dealers located in such hospitals.

(f) ~~For purposes of this chapter:~~

(1) ~~The term "cigar" means any roll for smoking which is not a cigarette and which is made wholly or in part of tobacco or any substitute therefor when the cover of the roll is made chiefly of tobacco.~~

(2) ~~The term "wholesale price" shall mean the price for which a manufacturer sells a tobacco product to a distributor exclusive of any discount, rebate or other reduction; and~~ [Transferred to § 5301 of this title.]

Section 4. Amend § 5306, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5306. Liability for payment of tax.

The tax ~~shall be~~ must be paid and the stamp ~~shall be~~ must be affixed by the first person who has possession of tobacco products in this State.

Section 5. Amend § 5307, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5307. License for sales of tobacco products.

~~No person shall~~ A person may not engage in or conduct the business of manufacturing, purchasing, selling, ~~consigning~~ consigning, or distributing tobacco products in this State or acting as an affixing agent without having first obtained the appropriate license ~~or licenses~~ for that purpose as prescribed by this chapter.

Section 6. Amend § 5308, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5308. License charges.

(a) Wholesale license. — For each wholesale license issued there ~~shall be paid~~ must be paid to the Department of Finance a fee of \$200. If a ~~wholesaler~~ holder of a wholesale license sells or intends to sell tobacco products at 2 or more places of business, whether established or temporary, a separate license ~~shall be~~ is required for each place of business.

(b) Retail license. — For each retail license there ~~shall be paid~~ must be paid to the Department of Finance ~~a fee of \$5.00~~ a fee of \$50. If a ~~retail dealer~~ holder of a retail license sells or intends to sell tobacco products at 2 or more places of business, whether established or temporary, or whether in the same building or not, a separate license ~~shall be~~ is required for each place of business.

(c) Vending machine license. — Every vending machine from which tobacco products are offered for sale ~~shall~~ must have affixed ~~thereto to it~~ an identification stamp issued by the ~~State Tax Department~~ Department of Finance for which a fee of ~~\$3.00 shall be charged~~ \$15 must be paid to the Department. ~~Where~~ If 2 or more vending machines are fastened together, each set of mechanisms ~~shall require~~ must have a separate vending machine license.

(d) Affixing agent license. — For each affixing agent's license issued there ~~shall~~ must be paid to the Department of Finance a fee of \$200, but only 1 license fee of \$200 ~~shall be~~ is required of any person who is both a wholesale dealer and an affixing agent.

Section 7. Amend § 5309, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5309. Application for license.

(a) Every ~~person~~, person desiring to engage in the sale of tobacco products at wholesale, ~~retail~~ retail, or by tobacco product vending machines within this State, except those persons who are exempt under § 5305(d) of this title, and every person desiring to become an affixing agent shall file an application for a license with the Department of Finance.

(1) Every application for a tobacco product license ~~shall~~ must be made upon a form prescribed, ~~prepared~~ prepared, and furnished by the Department and ~~shall~~ must set forth the name under which the applicant transacts or intends to transact ~~business~~, business; the location of the applicant's place of business, whether within or without the ~~State~~, State; whether or not the applicant is the holder of a mercantile or business license in effect when the application is made and, if so, the number of such license and the county for which such license was ~~issued~~ issued; and such other information as the Department may require.

(2) If the applicant has or intends to have more than 1 place of business within the State, the application ~~shall~~ must state the location of each place of business.

(3) If the applicant is an association, the application ~~shall~~ must set forth the names and addresses of the persons constituting the association; and if a corporation, the names and addresses of the principal officers thereof and any other information prescribed by the Department for purposes of identification.

(4) The application ~~shall~~ must be signed and verified by oath or affirmation by the owner, if a natural person, and, in the case of an association, by a member or partner thereof and, in the case of a corporation, by an executive officer thereof, or some person specifically authorized to sign the application, to which ~~shall~~ must be attached the written evidence of such person's authority.

(b) A single application may be filed for more than 1 license. The operator of ~~vending machines~~ tobacco product vending machines shall list all locations at which the operator has machines at the time of the application. The operator may also request extra licenses for new machines to be placed in new locations up to 10 percent of the listed locations on file with the Department without submitting actual locations. As the new machines are placed on location for sale of tobacco products, the operator shall immediately notify the Department and the operator shall become eligible to apply for licenses for an additional 10 percent of the operator's new totals. Failure to notify the Department when and where new machines are placed in operation ~~shall give~~ is cause for suspension and seizure of all licenses and tobacco product vending machines.

Section 8. Amend § 5312, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5312. Replacement of licenses.

Whenever any license issued under this chapter is defaced, ~~destroyed~~ destroyed, or lost, the Department of Finance may issue a duplicate to the holder of the defaced, ~~destroyed~~ destroyed, or lost license ~~by upon~~ by the payment of a fee of ~~\$4~~ \$10 ~~by the holder~~.

Section 9. Amend § 5314, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5314. Transfer of license.

Any licensed dealer may transfer a license from 1 location to another or from 1 ~~cigarette vending machine~~ tobacco product vending machine to another in accordance with the rules and regulations of the Department.

Section 10. Amend § 5315, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5315. Tobacco product tax stamps; affixing; amount; cancellation.

(a) Within the time prescribed, every authorized affixing agent shall affix to each pack of tobacco products received by the agent and shall cancel Delaware tobacco product tax stamps to evidence payment of the tax imposed by this chapter, unless such stamps have been affixed to the packs of tobacco products and cancelled before such authorized affixing agent received them.

(b) Stamps in an amount not less than the tax thereon ~~shall be~~ must be affixed to each pack of tobacco products in such manner that they will be visible to the purchaser. The authorized affixing agent, affixing such stamps, shall cancel them immediately in such manner as may be prescribed by the Department.

Section 11. Amend § 5316, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5316. Design and sale of stamps.

(a) Delaware tobacco product tax stamps ~~shall be~~ must be adhesive stamps, tax meter ~~impressions~~ impressions, or other stamps, ~~labels~~ labels, or prints of such designs and denominations as may be prescribed by the Department.

(b)(1) The Department shall make provisions for the sale of Delaware tobacco product tax stamps in such places and at such times as it deems necessary.

(2) All stamps ~~shall be~~ must be paid for at the time of ~~purchase; however,~~ purchase.

(3) ~~Notwithstanding paragraph (b)(2) of this section,~~ an authorized affixing agent may enter into an agreement with the Department of Finance providing for deferred payment for tobacco product stamps or for amounts added to tobacco product tax meters during a month to a date not later than 30 days from the date of purchase or addition to a ~~cigarette meter;~~ provided, that tobacco product tax meter if the affixing agent furnishes a bond to assure payment is furnished in such amount as required by the Secretary of ~~Finance; and provided, that Finance, and pays~~ Finance, and pays all amounts due for the month of June ~~shall be~~ paid by June 30.

(4) ~~No persons shall~~ A person may not purchase tobacco product stamps from any person other than the Department of Finance or its authorized agents, except in accordance with the Finance Department's regulations relating to the stamping of floor stock.

Section 12. Amend § 5317, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5317. Time for affixing stamps; reporting requirements; violation.

(a) ~~Within 72 hours after receipt thereof and prior to the sale of such unstamped tobacco products, unless such tobacco products are exempt by other provisions of this chapter, the~~ The authorized affixing agent shall affix the required amount of Delaware tobacco product tax stamps to unstamped tobacco products within 72 hours after receipt of the tobacco products and prior to the sale of the tobacco products, unless the tobacco products are exempt by other provisions of this chapter. Whenever any tobacco products are found in the place of business of the authorized affixing agent without the stamps affixed as ~~herein~~ provided by this subsection, or not segregated or marked as having been received within the preceding 72 hours, or not segregated or marked as exempt from requirement of Delaware tobacco product tax stamp under other provisions of this chapter, a prima facie presumption ~~shall arise~~ arises that such tobacco products are possessed in violation of this chapter.

(b) Between noon local time and midnight on each July 31 and December 31, ~~no an~~ an affixing agent ~~shall~~ may not have in its possession cigarettes without the stamps affixed as ~~herein~~ provided under subsection (a) of this section or not segregated or marked as exempt from the requirement of Delaware tobacco product ~~tax stamps and~~ tax stamps. The affixing agent shall accurately report to the Director of Revenue the quantity of cigarettes bearing stamps and the balance remaining in any device used for affixation of stamps at that time. Failure to comply with this ~~provision shall be~~ subsection is prima facie cause for suspension or revocation of licenses under § 5313 of this title.

Section 13. Amend § 5318, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5318. Appointment of stamp affixing agents; commission.

(a) The Department may appoint any manufacturer of tobacco products or wholesaler within this State and may appoint any other person within or without this State as its agent to affix Delaware tobacco product tax stamps. Tax affixing agents located outside the State must apply the stamps to all taxable tobacco products before bringing them into this State.

(b) Whenever the Department shall sell, ~~consign~~ consign, or deliver Delaware tobacco product tax stamps to any authorized stamp affixing agent, such agent ~~shall be~~ is entitled to receive as compensation for such agent's services and expenses a commission at the rate of 3/10 of 1 cent for affixing the tax stamp to each package of 20 or more cigarettes. The commission is to be retained out of the moneys to be paid by such agent for such stamps purchased from the Department.

Section 14. Amend § 5321, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5321. Duties imposed on licensed tobacco ~~product~~ products dealers; lists.

(a) A licensed tobacco ~~product~~ products dealer ~~shall~~ may not sell tobacco products or purchase tobacco products from any person required to be licensed who is not so licensed or is improperly licensed; except that a licensed wholesale tobacco products dealer may sell tax paid tobacco products to a tobacco ~~product~~ products manufacturer's ~~representative; provided, that representative if~~ the manufacturer's representative presents valid proof that the representative is a bona fide sales representative of the tobacco ~~product~~ products manufacturer.

(b) All holders of wholesale licenses shall maintain at every licensed location a list of the names and license numbers or holders of wholesale and retail licenses to whom tobacco products are sold ~~and/or~~ or delivered.

(c) A licensed tobacco ~~product dealer shall~~ products dealer may not sell smokeless tobacco products unless the package for such smokeless tobacco product bears a legible legend required by any federal law, ~~rule~~ rule, or regulation relating to the possible hazard involved in use of the product.

Section 15. Amend § 5322, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5322. Duties imposed on manufacturer's representatives.

A tobacco ~~product~~ products manufacturer's representative may sell only to a licensed tobacco ~~product~~ products dealer, unless the representative obtains a dealer's license under this chapter and the rules and regulations promulgated ~~thereunder~~ under this chapter. A manufacturer's representative who participates in promotional activities involving the sale of tobacco products to persons other than licensees ~~shall be~~ is presumed to be acting as an agent of the licensee who furnished the tobacco products.

Section 16. Amend § 5327, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5325. Late filing penalty.

Every stamp affixing agent shall file with the Department, on or before the twentieth day of each month, a report in such form as the Secretary of Finance shall ~~prescribe, which~~ prescribe. The report ~~shall~~ must disclose the number of tobacco products on hand on the first and last days of the calendar month immediately preceding the month in which such report is required, together with such information concerning the amount of stamps purchased, used and on hand during the report period, together with any other information for the report period that the Secretary of Finance shall prescribe. Any tax affixing agent who ~~shall fail~~ fails to file any report on the day when it ~~shall be~~ is due shall forfeit, as a penalty for each day thereafter until the report is filed, the sum of \$15 to be collected in the manner provided in this chapter for the collection of penalties. The Secretary of Finance, if satisfied that the failure to comply with this section was excusable, may remit the whole or any part of said penalty.

Section 17. Amend § 5326, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5326. Refunds.

Whenever any packs of tobacco products upon which stamps have been placed have been sold and shipped into another state for sale or use therein, or have been sold to persons exempt under § 5305(d) of this title for resale to authorized purchasers, or have been returned to the manufacturer for credit because they became unfit for use and consumption or became unsalable by reason of fire, ~~flood~~ flood, or other causes beyond the control of the person who sold the tobacco products and shipped them into another state for sale or for use therein or who sold the tobacco products to persons exempt under § 5305(d) of this title for resale

to authorized purchasers or who owned the tobacco products at the time they were returned to manufacturer because they became unfit for use and consumption or unsalable by reason of fire, ~~flood~~ flood, or other cause beyond the control of the person seeking the refund shall be entitled to a refund of the actual amount of tobacco product tax paid with respect to such tobacco products. If the Department is satisfied that a refund is proper, it shall certify the proposed amount of refund and thereafter shall issue to the person seeking the refund stamps ~~and/or~~ or cash of sufficient value to cover the refund.

Section 18. Amend § 5327, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5327. Exempt sales.

The Department may promulgate regulations to relieve authorized affixing agents from affixing stamps to packs of tobacco products to be sold and delivered to points outside the State for use outside the State, or to be sold to purchasers designated as exempt under § 5305(d) of this title for resale to authorized purchasers. ~~All sales, however, shall be~~ However, all sales are presumed to be taxable and the burden shall be is upon the person claiming an exemption to prove such person's right ~~thereto to the exemption.~~

Section 19. Amend § 5328, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5328. Invoices or delivery tickets and purchase orders required in certain cases.

~~(a) Every person who shall possess or transport 10 or more packs or packages (or an equivalent amount unpackaged)~~ Δ person who possesses or transports 10 or more packs or packages, or an equivalent amount unpackaged, of unstamped tobacco products upon the public highways, ~~roads~~ roads, or streets of this State for the purpose of delivery, ~~sale~~ sale, or disposition ~~shall be~~ is required to have in ~~such~~ the person's possession invoices or delivery tickets and purchase orders for ~~such~~ the tobacco products which ~~shall~~ must show all of the following:

(1) ~~the~~ The true name and complete and exact address of the consignor or ~~seller,~~ seller.

(2) ~~the~~ The true name and complete and exact address of the person transporting the tobacco ~~products,~~ products.

(3) ~~the~~ The quantity and brand of the tobacco products transported and the true name and complete and exact address of the person who has been licensed to assume the payment of the Delaware tax or the tax, if any, of the state or foreign country at the point of ultimate ~~destination;~~ destination.

~~(b) provided, that any~~ Notwithstanding subsection (a) of this section, any common carrier which has issued a bill of lading for shipment of tobacco products and is without notice to itself or to any of its agents or employees that the tobacco products are not stamped as required by this chapter ~~shall be~~ is deemed to have complied with this chapter.

~~(c) The absence of such proper invoices or delivery tickets and purchase orders shall be~~ required under this section is prima facie evidence that ~~such~~ the person is in violation of this chapter and subject to the penalties of this chapter.

Section 20. Amend § 5330, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5330. Bonds.

The Secretary, at the Secretary's discretion, in order to protect the revenues to be obtained under this chapter, may require any person liable for the payment of the tobacco product tax a tax imposed under this chapter to furnish a bond executed by a surety company authorized to do business in this State and approved by the State Insurance Commissioner as to solvency and responsibility, in such amounts as the Secretary may fix, to secure the payment of any tax and interest or penalties due or which may become due from ~~such taxpayer. In the event that~~ the person.

(1) If the Secretary determines that ~~such person is to file such a bond~~ a person must file a bond, the Secretary shall give notice to such person to that effect, specifying the amount of the bond required.

(2) The bond ~~shall be~~ must be filed 5 days after the giving of ~~such notice~~ notice under paragraph (1) of this section, unless within 5 days ~~thereof~~ of such notice a request in writing for a hearing before the Secretary of Finance ~~shall be made,~~ is made.

(3) ~~at which hearing the necessity, propriety~~ At a hearing held under paragraph (2) of this section, the Secretary of Finance shall review and determine the necessity, propriety, and amount of the bond ~~shall be reviewed and determined by the Secretary of Finance.~~

~~(4) Such determination by the Secretary shall be~~ The Secretary's determination is final and shall be complied with the person requesting the hearing must comply with the determination within 15 days after ~~the notice thereof of the determination~~ is sent by the Secretary to the person requesting the hearing.

Section 21. Amend § 5341, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5341. Sale of unstamped tobacco products; refusal to permit inspection; counterfeited or reused stamps; penalty.

(a) ~~Whoever sells~~ A person may not sell any pack of tobacco products ~~which that~~ does not have affixed ~~thereto to it~~ the proper amount of Delaware tobacco product ~~tax stamps; or~~ tax stamps.

(b) ~~Whoever being a dealer refuses~~ A dealer may not refuse to permit the Department to examine such dealer's books and records, stock of tobacco ~~products~~ products, or premises and equipment in order to verify the accuracy of the tax payments imposed by ~~this chapter; or~~ this chapter.

(c) ~~Whoever~~ A person may not falsely or fraudulently ~~makes, forges, alters or counterfeits~~ make, forge, alter, or counterfeit any stamp prescribed by the Department under this ~~chapter or causes or procures~~ chapter; or cause or procure a stamp to be falsely or fraudulently made, forged, ~~altered or counterfeited any stamp,~~ altered, or counterfeited; or knowingly and wilfully ~~utters, publishes, passes or tenders~~ utter, publish, pass, or tender as true ~~any such a~~ false, altered, ~~forged~~ forged, or counterfeited ~~stamp, or uses~~ stamp; or use more than once any stamp provided for and required by this chapter for the purpose of evading the tax hereby imposed and ~~assessed;~~ assessed.

(d) ~~shall be~~ A person who violates this section may be fined not more than \$1,000, or imprisoned for not more than 1 year, or both.

Section 22. Amend § 5342, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5342. Possession of untaxed tobacco products.

(a) Except as authorized by this chapter, ~~no person, not being an affixing agent or not holding an unexpired exemption certificate, shall have in such person's possession~~ a person who is not an affixing agent or does not hold a valid, unexpired exemption certificate may not possess within this State 10 or more packs or ~~packages (or~~ packages, or an equivalent amount ~~unpackaged)~~ unpackaged amount of tobacco products upon which the Delaware tobacco product tax has not been paid, or to which Delaware tobacco product tax stamps are not affixed in the amount required.

(b) Whenever any tobacco products are found at the place of business of a dealer, whether a stamp affixing agent or not, and ~~such the~~ tobacco products do not have the proper amount of stamps affixed and cancelled, or it is determined that the Delaware tobacco product tax has not been paid on such tobacco products, and the boxes, ~~cartons~~ cartons, or other containers have not been marked as having been received within 72 hours, such dealer ~~shall be~~ may be fined not less than \$100 nor more than \$1,000, or imprisoned not more than 90 days, or both.

(c) Notwithstanding the provisions of subsection (b) of this section, any violation of § 5317(b) of this title ~~shall be~~ is punishable as a violation of subsection (b) of this section, except that the Superior Court in and for the county in which any element of the offense occurred ~~shall have~~ has exclusive original jurisdiction over offenses under this subsection.

Section 23. Amend § 5344, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5344. Liability joint and several as between owner and operator.

Whenever a duty or liability is imposed under this chapter on the owner or operator of tobacco product vending machines, the owner and operator ~~shall be~~ is jointly and severally liable for the performance of such duty or satisfaction of such liability.

Section 24. Amend § 5345, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5345. Police powers; arrests.

(a) Employees of the Department of Finance who are designated "tobacco product tax-enforcement officers" ~~shall be~~ are peace officers and ~~shall~~ have the same police power and authority as constables throughout the State.

(b) Such officers may arrest on view, except in private homes, without warrant, any person actually engaged in the unlawful sale of unstamped tobacco products, or unlawfully having in such person's possession unstamped tobacco products, contrary to this chapter.

Section 25. Amend § 5351, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5351. Forfeiture of tobacco products; disposal.

(a) In the event of a conviction under § 5342 of this title, the tobacco products which were the subject of the violation ~~shall automatically be~~ are automatically forfeited to the State.

(b) The Department shall destroy any tobacco products forfeited under this section. The Department may, prior to the destruction of any tobacco products, permit the true holder of the trademark rights in the tobacco product brand to inspect such forfeited tobacco products in order to assist the Department in any investigation regarding such tobacco products.

Section 26. Amend § 5352, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5352. Forfeiture of vehicle used in illegally transporting tobacco products.

Any vehicle used in the transporting of tobacco products in violation of this chapter ~~shall be~~ is subject to the provisions of subchapter II of Chapter 23 of Title 11.

Section 27. Amend § 5354, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5354. Seizure of untaxed tobacco products and tobacco product vending machines.

Whenever any law-enforcement officer, the Department or its agents have reasonable grounds to believe that any untaxed tobacco products are unlawfully in the State or that a vending machine is being used to hold untaxed tobacco products, they may seize such tobacco products or tobacco product vending machines and hold them in custody pending a decision of the Court. No tobacco products or tobacco product vending machines being held in custody shall be seized or taken therefrom on any writ of replevin or like judicial process.

Section 28. Effective Dates.

(a)(1) Section 5305(a), (b), and (c)(1) of Title 30, as contained in Section 3 of this Act, takes effect on September 1, 2017, and establishes the rate of tax payable on tobacco products, other than vapor products.

(2)a. The tax imposed under subsection (a)(1) of this Section must be imposed on all of the following:

1. Stocks or inventories of tobacco products in possession of any person liable for the tax as of midnight August 31, 2017, which as of that date have been affixed with any tobacco product tax stamp or other indicia of payment of the tax.

2. Any tobacco product tax stamps purchased, but not yet affixed, before midnight August 31, 2017.

b. The amount of tax due under this subsection of this Section is equal to the tax determined at the rates specified in § 5305(a), (b), and (c)(1) of Title 30, as contained in Section 3 of this Act, less the tax previously paid with respect to such tobacco products, other than vapor products. The amount of tax due under this subsection of this Section must be paid by December 31, 2017.

(b) Section 5301(7), (15), and (20) of Title 30, as contained in Section 2 of this Act; § 5305(c)(2) of Title 30, as contained in Section 3 of this Act; § 5308(b) and (c) of Title 30, as contained in Section 6 of this Act; Section 8 of this Act take effect on January 1, 2018.

(c) All other provisions or Sections of this Act take effect upon enactment.

Approved July 3, 2017