



General Assembly

January Session, 2001

**Amendment**

LCO No. 7513

Offered by:

SEN. MCKINNEY, 28<sup>th</sup> Dist.

To: Subst. Senate Bill No. 592

File No. 366

Cal. No. 280

**"AN ACT CONCERNING THE INSPECTION OF SALONS."**

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1 In line 1, before "(NEW)" insert "Section 1."

2 After line 27, insert the following:

3 "Sec. 2. Section 12-285 of the general statutes is repealed and the  
4 following is substituted in lieu thereof:

5 When used in this chapter, unless the context otherwise requires,  
6 "person" means any individual, firm, fiduciary, partnership,  
7 corporation, limited liability company, trust or association, however  
8 formed; "distributor" means (1) any person in this state engaged in the  
9 business of manufacturing cigarettes; (2) any person, other than a  
10 buying pool, as defined herein, who purchases cigarettes at wholesale  
11 from manufacturers or other distributors for sale to licensed dealers,  
12 and who maintains an established place of business, including a  
13 location used exclusively for such business, which has facilities in  
14 which a substantial stock of cigarettes and related merchandise for  
15 resale can be kept at all times, and who sells at least seventy-five per

16 cent of such cigarettes to retailers who, at no time, shall own any  
17 interest in the business of the distributor as a partner, stockholder or  
18 trustee; (3) any person operating five or more retail stores in this state  
19 for the sale of cigarettes who purchases cigarettes at wholesale for sale  
20 to dealers but sells such cigarettes exclusively to retail stores such  
21 person is operating; [(4) any person operating and servicing twenty-  
22 five or more cigarette vending machines in this state who buys such  
23 cigarettes at wholesale and sells them exclusively in such vending  
24 machines. If a person qualified as a distributor in accordance with this  
25 subdivision, in addition sells cigarettes other than in vending  
26 machines, such person shall be required to be qualified as a distributor  
27 in accordance with subdivision (2) of this section and have an  
28 additional distributor's license for purposes of such other sales; (5)] (4)  
29 any person who imports into this state unstamped cigarettes, at least  
30 seventy-five per cent of which are to be sold to others for resale; [(6)]  
31 (5) any person operating storage facilities for unstamped cigarettes in  
32 this state; ["cigarette vending machine" means a machine used for the  
33 purpose of automatically merchandising packaged cigarettes through  
34 the insertion of the proper amount of coins therein by the purchaser,  
35 but does not mean a restricted cigarette vending machine; "restricted  
36 cigarette vending machine" means a machine used for the dispensing  
37 of packaged cigarettes which automatically deactivates after each  
38 individual sale, cannot be left operable after a sale and requires, prior  
39 to each individual sale, a face-to-face interaction or display of  
40 identification between an employee of the area, facility or business  
41 where such machine is located and the purchaser;] "dealer" means any  
42 person other than a distributor who is engaged in this state in the  
43 business of selling cigarettes; [, including any person operating and  
44 servicing fewer than twenty-five cigarette vending machines who shall  
45 be classified herein as a vending machine dealer;] "licensed dealer"  
46 means a dealer licensed under the provisions of this chapter; "stamp"  
47 includes impressions made by metering machines authorized to be  
48 used under the provisions of section 12-299; "sale" or "sell" includes or  
49 applies to gifts, exchanges and barter; and "buying pool" means and  
50 includes any combination, corporation, association, affiliation or group

51 of retail dealers operating jointly in the purchase, sale, exchange or  
52 barter of cigarettes, the profits from which accrue directly or indirectly  
53 to such retail dealers, provided any person holding a distributor's  
54 license issued prior to June 29, 1951, shall be deemed to be a distributor  
55 within the terms of this section. For the purposes of part I and part II  
56 only of this chapter, "cigarette" means and includes any roll for  
57 smoking made wholly or in part of tobacco irrespective of size or  
58 shape and irrespective of whether the tobacco is flavored, adulterated  
59 or mixed with any other ingredient, where such roll has a wrapper or  
60 cover made of paper or any other material, except where such wrapper  
61 is wholly or in the greater part made of tobacco and such roll weighs  
62 over three pounds per thousand, provided, if any roll for smoking has  
63 a wrapper made of homogenized tobacco or natural leaf tobacco, and  
64 the roll is a cigarette size so that it weighs three pounds or less per  
65 thousand, such roll is a cigarette and subject to the tax imposed by part  
66 I and part II of this chapter; "unstamped cigarette" means any package  
67 of cigarettes to which the proper amount of Connecticut cigarette tax  
68 stamps or impressions have not been affixed.

69 Sec. 3. Section 12-286 of the general statutes is repealed and the  
70 following is substituted in lieu thereof:

71 (a) (1) The commissioner shall, after May 25, 1994, require for an  
72 initial application for a distributor's license, in addition to such other  
73 information deemed to be necessary, the filing of three affidavits from  
74 three recognized manufacturers of cigarettes stating such  
75 manufacturers' intent to supply the distributor if the applicant is  
76 granted a license. A chain store shall be exempt from filing such  
77 affidavits. Any pending application on May 25, 1994, and any person  
78 purchasing the business of a licensed distributor shall be exempt from  
79 filing such affidavits. For purposes of this subsection, "chain store"  
80 means the operator or franchisor of five or more retail establishments  
81 with common ownership and control.

82 (2) The commissioner may make public a list of recognized  
83 manufacturers of cigarettes.

84 (b) A separate license shall be required for each class of business if  
85 the applicant is engaged in business both as a distributor and dealer.  
86 The commissioner shall prescribe the form of application for a  
87 distributor's license and for a dealer's license. Each license so issued  
88 shall be conspicuously displayed on the premises covered by the  
89 license.

90 [(c) The commissioner shall make regulations not inconsistent with  
91 the law for the licensing of vending machines.]

92 [(d)] (c) The commissioner may, in the commissioner's discretion,  
93 refuse to issue a license if there is reasonable ground to believe (1) that  
94 the applicant has wilfully made any false statement of substance with  
95 respect to such application for license, (2) that the applicant has  
96 neglected to pay any taxes due to this state, or (3) that the applicant  
97 has been convicted of violating any of the cigarette tax laws of this or  
98 any other state or the cigarette tax laws of the United States or has such  
99 a criminal record that the commissioner reasonably believes that such  
100 applicant is not a suitable person to be issued a license, provided no  
101 refusal shall be rendered under this subdivision except in accordance  
102 with the provisions of sections 46a-80 and 46a-81.

103 [(e)] (d) Any person who knowingly sells, offers for sale or  
104 possesses with intent to sell any cigarettes, without a license as  
105 provided in this chapter, shall be fined not more than five hundred  
106 dollars or imprisoned for not more than three months, or both, for each  
107 offense. Each day of such unauthorized operation may be deemed a  
108 separate offense.

109 Sec. 4. Section 12-293a of the general statutes is repealed and the  
110 following is substituted in lieu thereof:

111 (a) Each licensed distributor and dealer shall file with the  
112 Commissioner of Revenue Services, on or before the twenty-fifth day  
113 of each month, a report for the calendar month immediately preceding  
114 in such form and containing such information as the commissioner  
115 may prescribe. The return shall be accompanied by a payment of the

116 amount of the tax shown to be due thereon. The commissioner by  
117 regulation may exempt from the monthly reporting requirements of  
118 this section those distributors and dealers who do not acquire  
119 unstamped cigarettes and in lieu thereof may require an annual report,  
120 prescribed as to form by the Commissioner of Revenue Services and  
121 bearing notice to the effect that false statements made in such report  
122 are punishable, if, in the commissioner's discretion, the enforcement of  
123 this chapter would not be adversely affected.

124 [(b) Each licensed distributor or dealer who owns or operates more  
125 than five cigarette vending machines shall file with the Commissioner  
126 of Revenue Services, on or before the fifteenth day of each month, a  
127 report in such form as the commissioner may prescribe for the  
128 calendar month immediately preceding, which report shall disclose the  
129 number of cigarette vending machines owned, operated, acquired and  
130 disposed of by him, together with such other information as the  
131 commissioner shall require. Each licensed distributor or dealer who  
132 owns or operates not more than five cigarette vending machines shall  
133 file such report with the commissioner semiannually, at such time and  
134 in such form as the commissioner may prescribe.]

135 [(c)] (b) The commissioner may, by regulations adopted in  
136 accordance with chapter 54, require that each distributor and dealer  
137 report the names and addresses of their customers annually, with  
138 changes in such lists to be reported to the commissioner monthly not  
139 later than the twenty-fifth day of each month.

140 [(d)] (c) If any person fails to pay the amount of tax reported due on  
141 its report within the time specified under this section, there shall be  
142 imposed a penalty equal to ten per cent of such amount due and  
143 unpaid, or fifty dollars, whichever is greater. No person shall be  
144 subject to a penalty under both this section and subsection (b) of  
145 section 12-309. Such amount shall bear interest at the rate of one per  
146 cent per month or fraction thereof, from the due date of such tax until  
147 the date of payment.

148        [(e)] (d) Subject to the provisions of section 12-3a, the commissioner  
149        may waive all or part of the penalties provided under this chapter  
150        when it is proven to [his] the commissioner's satisfaction that the  
151        failure to pay any tax was due to reasonable cause and was not  
152        intentional or due to neglect.

153        Sec. 5. (NEW) On and after July 1, 2001, no cigarettes may be sold  
154        from any vending machine in this state.

155        Sec. 6. Sections 12-289 and 12-289a of the general statutes are  
156        repealed.

157        Sec. 7. This act shall take effect July 1, 2001, except that section 1  
158        shall take effect October 1, 2001."