



Megan Boelter, JD, MPH
Western Region Director
Preventing Tobacco Addiction Foundation

New Mexico Tobacco Revenue Oversight Committee Meeting #4 November 18, 2024

TOBACCO RETAIL LICENSE TO PROTECT PREVENTING TOBACCO ADDICTION FOUNDATION



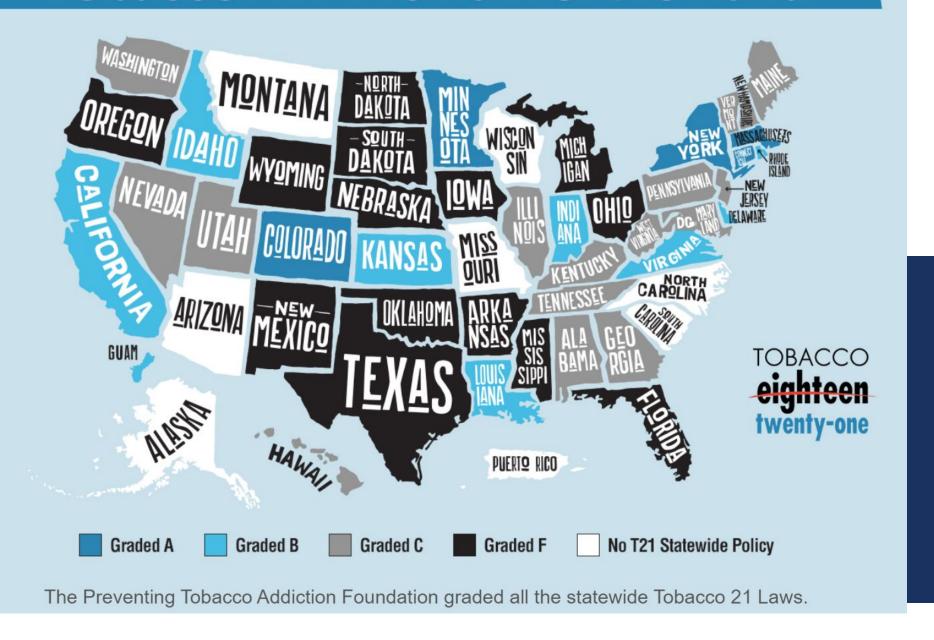
Preventing Tobacco Addiction Foundation / Tobacco 21

Mission: To reduce the health and economic impact of tobacco use and nicotine addiction through education, advocacy, and policy change.

Raise the minimum legal sales age (MLSA) to 21 - in conjunction with **Tobacco Retail Licensing -** for strong compliance/enforcement provisions to effectively reduce youth access to and use of tobacco products.



Tobacco 21: The Law of the Land

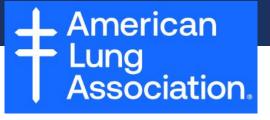


PARTNERS, SOURCES, RESOURCES









INTERACT

FOR HEALTH







Center for **Public Health** Law Research



ChangeLab Solutions







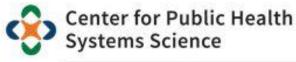




SMOKING, VAPING & NICOTINE







Brown School









Social Determinants of Health



Law is a social determinant of health.

TOBACCO LEGISLATION

- 1. Introduction / Terms
- 2. NM Tobacco Retail Point of Sale Info and Policies
- 3. Tobacco Legislation Trends 2025
 - State E-cigarette Registries; Tobacco Tax Policy; Flavored Tobacco
- 4. Emerging Policy Challenges
- 5. Q&A

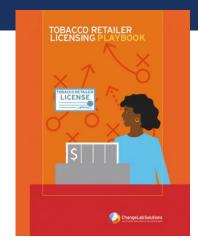
PTAF acknowledges that traditional tobacco is used for sacred and ceremonial purposes by Indigenous Communities. The content in this presentation applies to the regulation of commercial tobacco.

POLICY DEFINITIONS

Minimum Legal Sale Age (MLSA)

Underage Sales vs Unauthorized/Illegal/Illicit Products

Tobacco Retail License (TRL)₁



Tobacco Retailer: ANY retailer that sells tobacco/nicotine, convenience stores, smoke shops, vape shops, pharmacies, chain stores, others. (Variations on "retailer"/tobacco shops/% sales/%retail space)

Retail Violation Rate (RVR): The percentage of retailers within a state (or data set) that sell tobacco products to those under the age of 21.

Pre-Market Tobacco Application (PMTA)

Preemption: (Negative AND Positive Impacts)

1 PTAF acknowledges the use of traditional tobacco among Indigenous Communities. This presentation addresses regulation of commercial tobacco.

POLICIES

	Sales to Minors (T21) Minimum Legal Sales Age	Unauthorized/Illegal/Illicit Products
	No sale to minors; ID Verification	Products not legal for sale*
Federal (USA)	 MLSA = T21; ID verification ≤30 yrs; Vending machines 21+ facilities 	 FDA EVALUATES AND AUTHORIZES tobacco product for sale. 34 e-cigs with Marketing Granted Orders (MGOs)
State	Variable MLSA: T18; T19; T21Different ID verification laws	 States CANNOT AUTHORIZE products for sale States can REGULATE SALES (tax, marketing, type)
Local	 Variable MLSA: T18; T19; T21* Different ID verification laws* 	 Cities CANNOT AUTHORIZE products for sale Cities can REGULATE SALES (tax, marketing, type)*



August 2024 FDA ISSUED FINAL T21 RULE



2. Vending machines are restricted to 21+ businesses



TOBACCO RETAIL ENFORCEMENT





Substance Abuse and Mental Health Services Administration

SYNAR

U.S. FOOD & DRUG

1. Tobacco and E-cigarette
Retailer Permits

State retailer inspections

Substance Block Treatment Grant

Retailer Violation Rate (RVR)

MUST be ≤≤ 20%

FDA Compliance Program:

- 1) T21 Inspections; Sales to Minors
- (2) Illegal /Unauthorized Tobacco
 Products
 - (3) Advertising & labeling enforcement

2. License Suspension / Revocation

Administers SYNAR survey
Tests retailer compliance
(RVR)



New Mexico Human Services Department Behavioral Health Services Division Office of Substance Abuse Prevention

NM Tobacco Products Act (TPA) Tobacco Retail License Provisions:

- New Mexico MLSA T21 (Sec. 61-37-3A)
- Requires license for the manufacture, distribution or retail sale of tobacco products.
- Requires ID Verification for Proof of Age

Tobacco Retail Licenses shall not be issued if:

- A license revoked by another state;
- The location of license within 300 feet of a school (after 07/01/20).
- The location of the license would result in a violation of a zoning or other ordinance of a governing body in which the proposed location would exist.

NM Tobacco Products Act SALES TO MINORS Penalties:

SALES TO MINORS: [15.8.6.9 NMAC - N, 1/1/2021]

1st violation: \$1,000 fine;

2nd violation: \$4,000 fine; 7 day suspension 3rd violation: \$7,000 fine; 30 day suspension 4th violation: Permanent License Revocation



ALL OTHER VIOLATIONS INVOLVING MINORS: [15.8.6.10 NMAC - N, 1/1/2021]

1st violation: \$1,000 fine;

2nd violation: \$2,000 fine; 1 day suspension 3rd violation: \$5,000 fine; 7 day suspension 4th violation: \$10,000 fine; 14 day suspension

What Activities are Grounds for a Citation?

Unlicensed Sale by Non-licensees

Unlicensed Sale by License

Sales to Minors

Failure to Verify Age

Minors in Age-Controlled Locations

Sales of Tobacco Products not in Original Sealed Package

Sale of Tobacco Products not in Child-Resistant Packaging

Sale of Tobacco Products Knowingly Attractive to Minors

Providing Free Samples

NM Tobacco Products Act (TPA) 'Products Attractive to Minors'

A manufacturer shall not produce and a distributor or retailer shall not sell tobacco products that are knowingly attractive to minors.

Definitions:..."knowingly attractive to minors" means packaging or labeling that contains:

- a cartoon-like character that mimics characters primarily aimed at entertaining minors;
- (2) an imitation or mimicry of trademarks or trade dress of products that are or have been primarily marketed toward minors; or
 - (3) a symbol or celebrity image that is primarily used to market products to minors.



*ENFORCEMENT CHALLENGES



TOBACCO 21

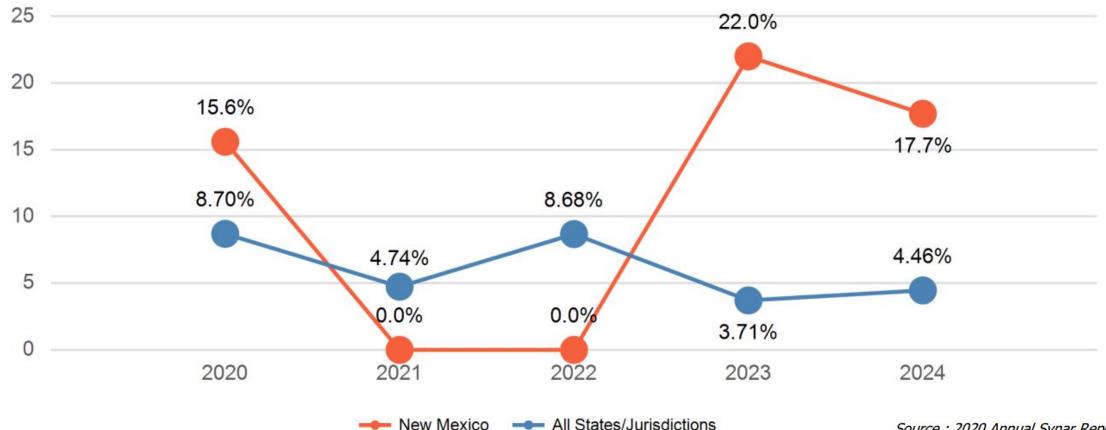
PROHIBITING THE SALE AND DISTRIBUTION OF TOBACCO PRODUCTS TO PEOPLE UNDER 21



Synar Reported Retailer Violation Rate

NM Report Years: 2020 - 2024

Weighted Retailer Violation Rate (RVR)



Legend:

~ Non-Finalized Data, i.e., there are open revision requests for the source data.

Source: 2020 Annual Synar Report 2021 Annual Synar Report 2022 Annual Synar Report 2023 Annual Synar Report 2024 Annual Synar Report



2023 NM SAMHSA Grant Funds

Summary - New Mexico

Non-Discretionary Funding

Substance Use Prevention and Treatment Block Grant	\$10,381,561
Community Mental Health Services Block Grant	\$6,561,480
Projects for Assistance in Transition from Homelessness (PATH)	\$300,000
Protection and Advocacy for Individuals with Mental Illness (PAIMI)	\$727,500
Subtotal of Non-Discretionary Funding	\$17,970,541

Potential loss ≤10% of SATBG

If Synar RVR > 20%
Potential loss:
Over \$1M
(2023)





NM Synar Report Comments FY2024

Limited resources for activities to support enforcement and compliance with youth and young adult tobacco access laws.

- NM does not specifically include e-cigarettes in Synar inspections, only cigarettes.
- Most popular products among youth are e-cigarettes.
- Revised inspection protocols should include e-cigarettes/vapes/liquids/pouches.
- Additional state general funds are needed to contract NM DPS/SIU to conduct e-cig inspections.
- "The state's Synar program has been and continues to be underfunded which presents challenges with complying with the Synar regulation."



NM TOBACCO PRODUCTS ACT

PREEMPTION LANGUAGE:



TPA PREEMPTION LANGUAGE Requires Clarification

(§61-37-24)

When a municipalityadopts an ordinance...pertaining to the sales of tobacco products, the ordinance, ... shall be consistent with the provisions of the Tobacco Products Act. (§61-37-24)

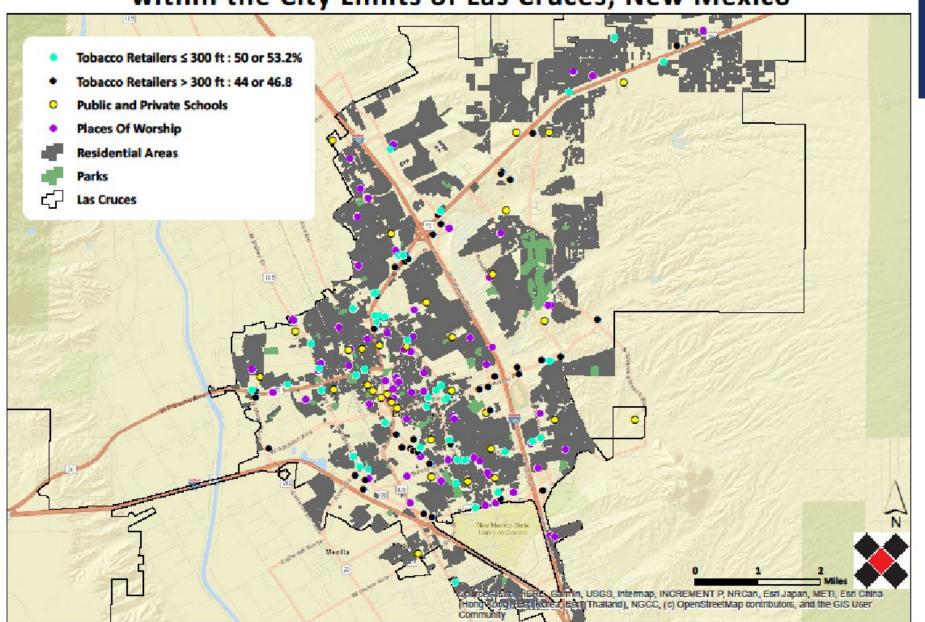
(§61-37-4)

A license shall not be issued, retained, transferred or renewed if:

- 1. the location for the license or license transfer is within three hundred feet of a school; (07/01/2020)
- 2. the location for the license would result in a violation of a zoning or other ordinance of a governing body in which the proposed location would exist



Proximity of Tobacco Retailers to Residential Housing, Schools, Places of Worship, and Parks within the City Limits of Las Cruces, New Mexico



TPA PREEMPTION PROVISION Requires Clarification for Cities/Counties

What is the THRESHOLD? WHAT CAN COUNTIES AND CITIES DO?

- NM statutes and caselaw are silent
- No prior or existing challenge from the state against a local municipality under the TPA
 - Clarification/resolution can come from Judiciary or Legislature

2020 SUPPORT FOR TPA REVISION

(Ambiguous Preemption Language)

- The New Mexico Municipal League
- City Council of Albuquerque
- City Council of Las Cruces
- City Council of Santa Fe
- City of Las Vegas
- City of Espanola
- Bernalillo County Commission
- Albuquerque Public Schools Board of Education
- Rio Arriba County Commission
- Greater Albuquerque Medical Association (GAMA)

- New Mexico Chronic Disease Prevention Council (CDPC)
- Evolvement
- Health Equity Alliance for LGBTQ+
- New Mexicans (HEAL+ NM)
- Southwest Tribal Tobacco Coalition
- New Mexico Public Health Association
- New Mexico Pharmacist Association
- New Mexico Hospital Association
- American Heart Association
- American Cancer Society Cancer Action Network
- American Lung Association

TOBACCO LEGISLATION TRENDS

BACKGROUND: THE PRE-MARKET TOBACCO PRODUCT APPLICATION (PMTA) PROCESS



E-Cigarettes Authorized by the FDA



As of July 2024, these are the only e-cigarettes authorized to be sold in the U.S.

Ø			_
Manufacturer	Product Name		
Logic Technology Development LLC	Logic Regular Cartridge/Capsule Package	Logic Pro Capsule Tank System (1)	34 FD/
	Logic Vapeleaf Cartridge/Capsule Package	Logic Pro Capsule Tank System (2)	
	Logic Vapeleaf Tobacco Vapor System	Logic Power Tobacco e-Liquid Packag	e
O O	Logic Pro Tobacco e-Liquid Package	Logic Power Rechargeable Kit	
			_
NJOY LLC	NJOY DAILY Rich Tobacco 4.5%	NJOY ACE POD Classic Tobacco 2.4%	
	NJOY DAILY EXTRA Rich Tobacco 6%	NJOY ACE POD Classic Tobacco 5%	_
	NJOY DAILY EXTRA Menthol 6%	NJOY ACE POD Rich Tobacco 5%	
NOY	NJOY DAILY Menthol 4.5%	NJOY ACE POD Menthol 2.4%	R.J. Reynolds Vapor Company
	NJOY ACE Device	NJOY ACE POD Menthol 5%	

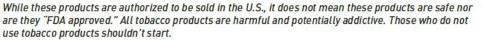
34 FDA Authorized E-cigarette Products

3 Manufacturers



Vuse Vibe Power Unit (1)

For the most up-to-date list of authorized e-cigarettes, visit the Searchable Tobacco Products Database





Vuse Replacement Cartridge Original 4.8% G2

E-CIGARETTE PRODUCT DIRECTORY (OR REGISTRY)



- A. E-cigarette Directory Legislation.
- B. List of e-cigarettes / vape products created by a state.
 - Manufacturer or product fee to get on list.
- C. To list a product, a manufacturer must certify that a Pre-Market Tobacco Product Application (PMTA) has been submitted to the FDA*.
- D. Manufacturer must show that the product:
 - i. Marketing GRANTED Order (MGO), or
 - ii. Remains under FDA review e.g. within PMTA process, or
 - iii. Marketing DENIAL Order (MDO) & court challenge/injunction.







E. Foreign Manufacturer – Identify Agent

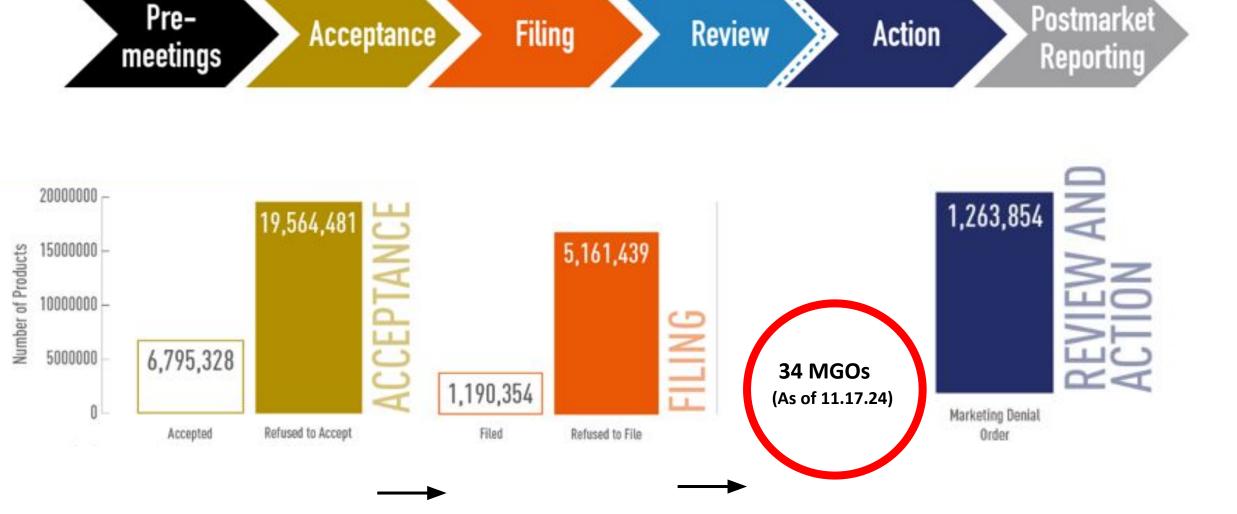


Pre-Market Tobacco Product Application (PMTA)



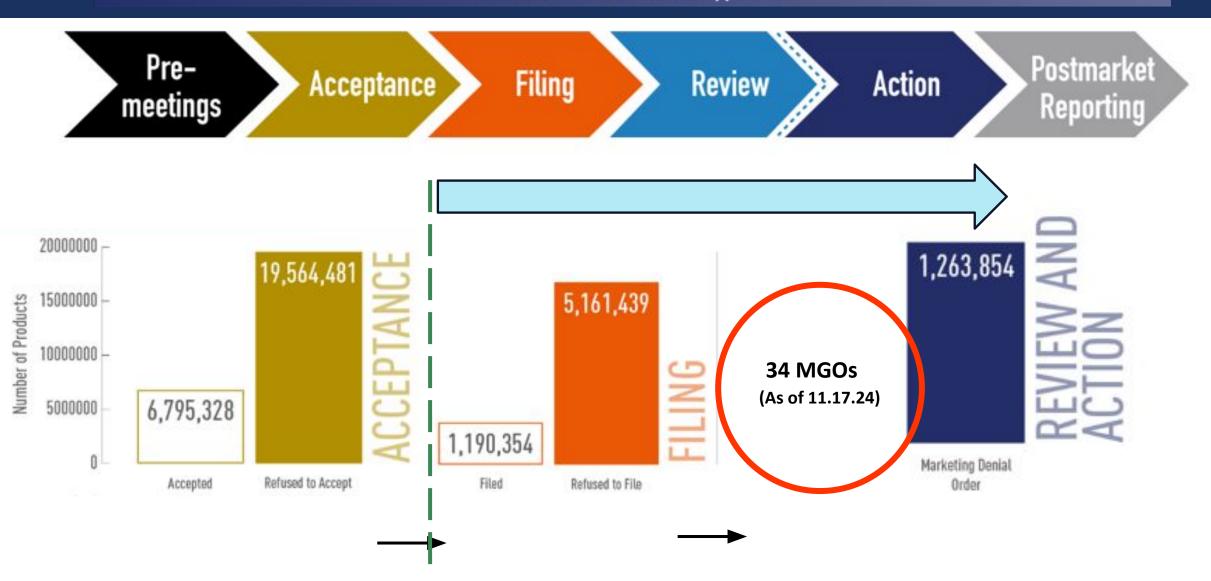
FY 21-24 Progress

Premarket Tobacco Product Application



FY 21-24 Progress

Premarket Tobacco Product Application



Oklahoma Vapor Product Manufacturers and Registration 63.1-229.35

Manufacturer	FDA Authorization	Product Name	Packaging Type	Packaging Size	Characterizing Flavor	Additional Properties (Amount of Nicotine, Volume, etc.)
Logic Technology Development LLC	24-Mar-20	Power Kit-Tobacco	Box/Closed System	75 Units per Case	Tobacco	Micotine - 27 MG/ML, Volume - 2 x1.2 ML per Unit
Logic Technology Development LLC	Pending		Box/Closed System consistent Produ	·	Menthol	Nicotine - 27 MG/ML, Volume - 2 x1.2 ML per Unit
Shenzhen Runfree Technology Co., Ltd.	YES	PUFFS RI Dif	ficult to vet PM ficult for enforce tinguish produc	ement officer to		0% Battery Capacity: 550mAh - Heating Element: Mesh Coil - Prefilled E-Juice Capacity: 2.5ml - Customizable Flavors
Shenzhen Runfree Technology Co., Ltd.	YES	Runfree 600 PUFFS RF003	Ind. sealed & packaged in boxes of 10 units	1 carton of 400 pieces: 55.8cm x 29cm x 28cm / 13kg	Banana Ice	0% Battery Capacity. 550mAh - Heating Element: Mesh Coil - Prefilled E-Juice Capacity: 2.5ml - Customizable Flavors

REGISTRY ENFORCEMENT?

Which vape is on the list? What volume? Which iteration?



DOR FISCAL NOTE KANSAS HB 2801 VAPOR PRODUCT DIRECTORY (FAILED)

Estimated State Fiscal Effect					
	FY 2024	FY 2025	FY 2026		
Expenditures					
State General Fund		\$598,210	\$598,210		
Fee Fund(s)	7 <u>24</u>				
Federal Fund					
Total Expenditures		\$598,210	\$598,210		
Revenues					
State General Fund					
Fee Fund(s)		\$5,750	\$2,300		
Federal Fund					
Total Revenues	144	==			
FTE Positions		8.00	8.00		

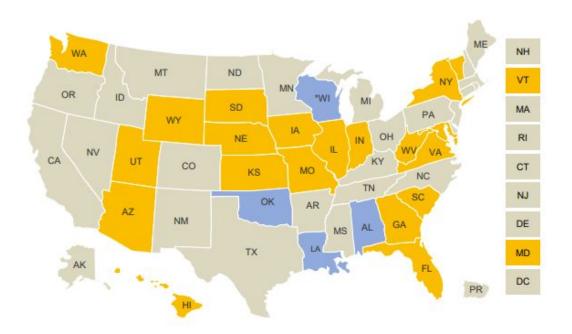
States With Enacted or Pending Directory Bills

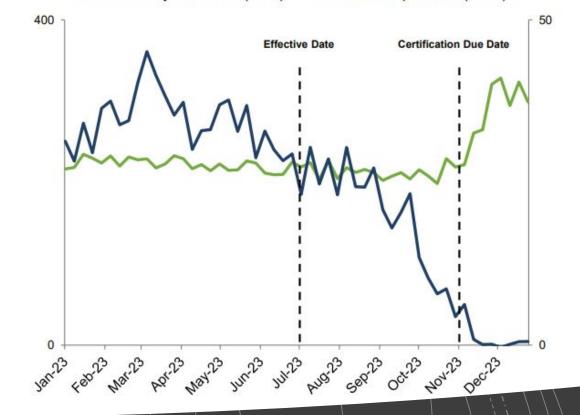
Louisiana E-Vapor Shipment Volume Example

(Units in Thousands)

—Illicit Disposable (RHS)

Directory Products (LHS)





INDUSTRY CLAIMS

Enacted before 2024

20

Pending

Tampa Bay Times

OPINION | Guest Column

Kathryn Starkey

Protect Florida's kids from illegal, disposable Chinese vapes

As community leaders, parents and concerned citizens, we must adopt an all-hands-on-deck approach to safeguard our youngest and most vulnerable population from these illegal products.









Kathryn Starkey is Pasco County commissioner for District 3.





. . .

The vast majority of the vaping products sold today are manufactured in China,

. . .

. . .

What's worse: China is targeting American children.

. . .

It's time to reverse this dangerous trend, stop China, and protect American kids.

Learn More At: StopChineseVapes.com



News From The States

Part of States Newsroom

NEVADA

Commentary

Law-abiding retailers demand action on illegal vape market

ECONOMY Jun 24, 2024 | 8:00 am ET By Peter Krueger









Peter Krueger, State executive, Nevada Petroleum Marketers and Convenience Store Association

State E-Cigarette/Vapor Product Directory Legislation 2023-2024

Existing (4 states)

- Alabama
- Louisiana
- Oklahoma
- Wisconsin (03/01/23)

Introduced, Failed

Arizona

- Maryland
- Colorado (New leg)
- Mississippi

Georgia

Missouri

Hawaii

New York (Filed 04.09.24)

Illinois

Oklahoma (Updates)

Indiana

South Carolina

Kansas

- South Dakota
- Louisiana (Updates)
- Wyoming

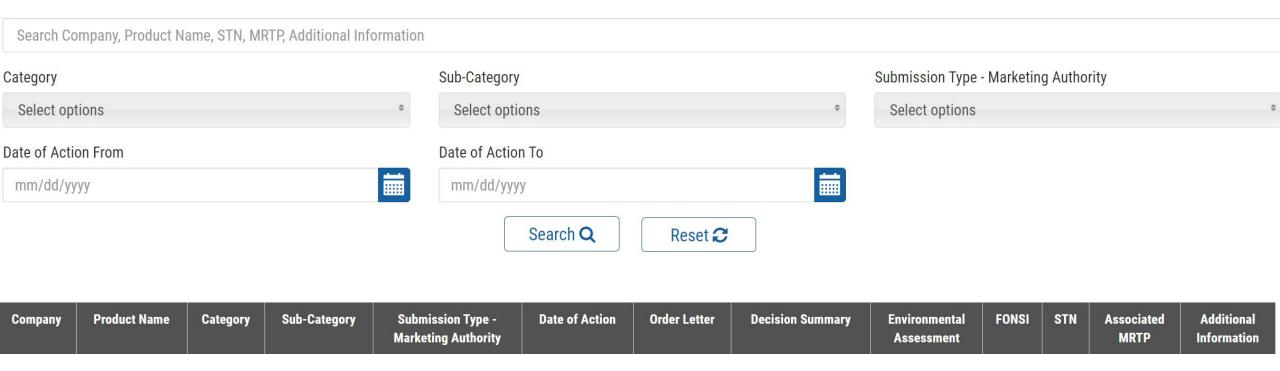
Passed (7 states)

- Florida
- **lowa** (HF2677)
- Kentucky
- Nebraska
- North Carolina
- Utah
- Virginia



Searchable Tobacco Products Database

Search the Database ?





June 10, 2024

Justice Department and FDA Announce Federal Multi-Agency Task Force to Curb the Distribution and Sale of Illegal E-Cigarettes

















ADVOCACY: WHAT TO KNOW & RECOMMENDATIONS

Pa TalkingPoints

- E-cigarette product registry bills are <u>not</u> a substitute for T21 Enforcement or Tobacco Retail Licensing (TRL). Strong state/local enforcement is key!
- These laws are being used to circumvent the FDA process.
- OPENS THE MARKET FOR BIG 3 MANUFACTURERS AT THE STATE'S AND COMMUNITY HEALTH EXPENSE

NOTE:

- Cigarette Manufacturer Directories created for MSA purposes.
- CA AB-3218 Unflavored Tobacco List is different leg

EMERGING CHALLENGES...







Nicotine Pouches

- Mint, fruit, and drink flavors
- Various nicotine strengths

Heated Tobacco Products

- IQOS.
- Marketing Authorization
- **Non-combusted" Cigarettes

Unsubstantiated claims

- Reduced exposure
- false claim not "tobacco product"
- harm reduction

Smart Vapes

- No Marketing Order
- Several flavors
- Video games vape to continue playing (encourages consumption)
- Connectivity to phones

Original Source: CTKF; Felton

FLAVORED TOBACCO SALES RESTRICTIONS:

FLAVORED TOBAGEO PRODUCTS AND COMPANY OF THE PROPERTY OF THE

- Flavored tobacco products are addicting new generations
- Pose health risks for both youth and adult users
- Industry targets communities with marketing and sales tactics
- Almost 400 localities and states have passe flavored tobacco ordinances



Model Flavored Tobacco Restriction Policy





- Cover the entire jurisdiction.
- Prohibit menthol.
- Restricting flavors in all tobacco products.
 - "Characterizing flavor' description a bonus.
- No exemptions for specific retailers.



RED FLAGS:

PRODUCT EXEMPTIONS

NO ENFORCEMENT PROVISIONS

PREEMPTION



Thank You

megan.boelter@tobacco21.org



QUESTIONS

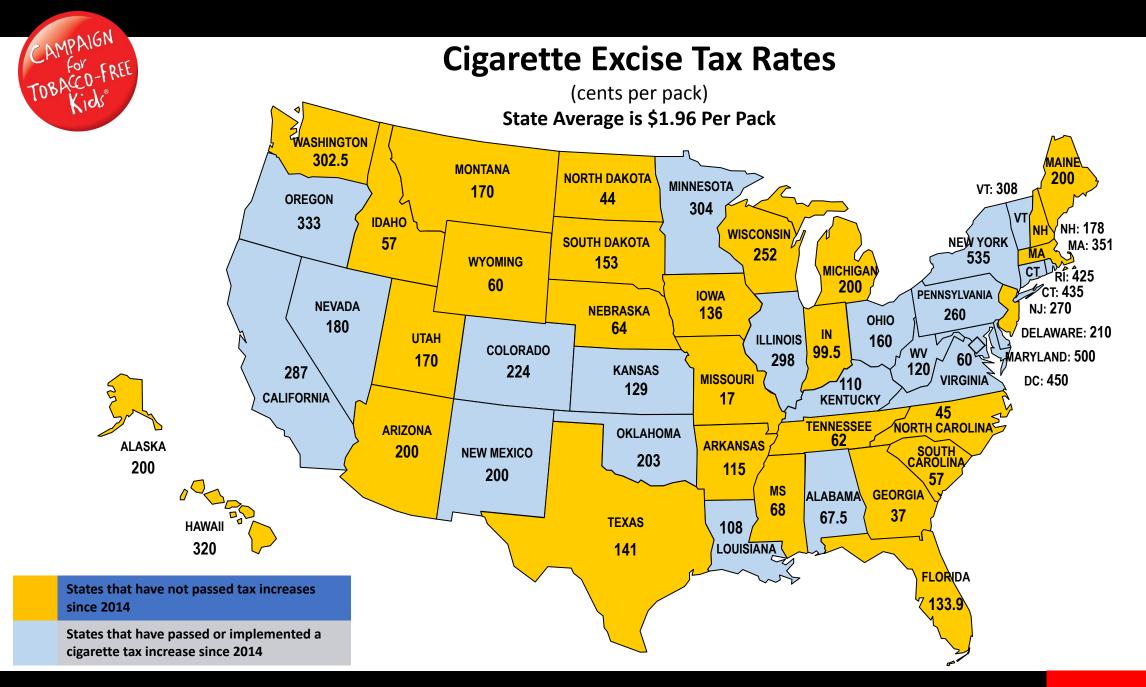
TOBACCO TAX POLICY:

TOBACCO TAX POLICY:

- States with the greatest tobacco tax increases see the largest declines in smoking rates.
- Excise taxes have the greatest impact on smoking rates among those 18 to 24.

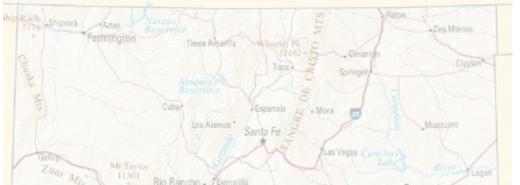


- Taxation of tobacco is not correlated with a decline in the density of convenience stores or consumer spending.
- Parity among different tobacco products is gold standard.
- Tobacco excise taxes can reduce tobacco-related health disparities among people with limited incomes, pregnant persons, and among racial and ethnic populations.
- "Regressive tax": industry messaging targeting consumers from specific communities.





Model Tobacco Flavor Restriction Policy





A state or local government considering whether to adapt any language from the following policies should take care to ensure that the language is appropriate, practical, and legal for its jurisdiction.



