



## 2025 South Dakota Legislature

# House Bill 1069

Introduced by: **Representative Mulder**

1 **An Act to regulate vapor products, and to provide a penalty therefor.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

4 Terms used in this chapter mean:

5 (1) "Department," the Department of Revenue;

6 (2) "Secretary," the secretary of the Department of Revenue;

7 (3) "Vapor product," a noncombustible device that contains a consumable nicotine  
 8 liquid and produces a vapor or aerosol for inhalation from the application of a  
 9 heating element to the consumable nicotine liquid, or a consumable nicotine liquid  
 10 suitable for use in the device, whether sold with the device or sold separately, but  
 11 the term does not include any product that has been approved by the United States  
 12 Food and Drug Administration for sale as a tobacco cessation product or for other  
 13 therapeutic purposes if the product is marketed and sold solely for the approved  
 14 use;

15 (4) "Vapor product distributor," a person who sells vapor products for resale and who  
 16 has obtained a vapor product distributor license pursuant to this chapter, or any  
 17 licensed distributor or licensed wholesaler under chapter 10-50; and

18 (5) "Vapor product retailer," a person who sells vapor products at retail and who has  
 19 registered with the department pursuant to this chapter.

20 **Section 2. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

21 A person, except a licensed distributor or licensed wholesaler under chapter 10-  
 22 50, shall secure a vapor product distributor license pursuant to this chapter, prior to selling  
 23 vapor products in this state for resale. If a person owns or operates more than one place  
 24 of business selling vapor products for resale, the person must secure a separate license  
 25 for each place of business selling vapor products.

1 **Section 3. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

2 A person located within or outside of this state is eligible for a vapor product  
3 distributor license. To receive an initial or renewal vapor product distributor license, an  
4 applicant shall:

- 5 (1) File an application with the department on a form prescribed by the secretary;  
6 (2) Pay a license fee of one hundred dollars;  
7 (3) Hold a South Dakota sales and use tax license issued by the department; and  
8 (4) Be current on the remittance of all applicable state and local taxes.

9 The department shall issue a vapor product distributor license to any applicant who  
10 meets the requirements of this chapter.

11 **Section 4. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

12 Unless otherwise provided in this section, a vapor product distributor license is  
13 valid from July first through June thirtieth. A license is valid for an additional three days if  
14 an application for a new license is in the possession of the department before midnight on  
15 the thirtieth day of June when the license expires.

16 The license fee required to be paid pursuant to section 3 of this Act may not be  
17 prorated or refunded for a license that is not held for the entire period for which the license  
18 is valid.

19 **Section 5. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

20 Prior to selling or offering to sell vapor products in this state, a vapor product  
21 distributor shall obtain a certification by the manufacturer of the vapor product stating:

22 (1) The manufacturer, pursuant to 21 U.S.C. § 387j (January 1, 2025), received a  
23 marketing granted order for the vapor product from the United States Food and  
24 Drug Administration; or

25 (2) The vapor product was marketed in the United States on or before August 8, 2016,  
26 and;

27 (a) On or before September 9, 2020, the manufacturer, pursuant to 21 U.S.C.  
28 § 387j (January 1, 2025), submitted to the United States Food and Drug  
29 Administration a premarket tobacco product application for the vapor  
30 product and the application was accepted for filing; and

31 (b) The application remains under review by the United States Food and Drug  
32 Administration or a final decision on the application has not yet taken effect.

1           A manufacturer who provides any misrepresentation or false statement in any  
2           certification pursuant to this section is guilty of a Class 1 misdemeanor.

3   **Section 6. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

4           A vapor product distributor selling, offering to sell, or distributing vapor products  
5           that do not meet the certification requirements pursuant to section 5 of this Act is guilty  
6           of a Class 2 misdemeanor.

7   **Section 7. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

8           A person shall register with the department prior to selling vapor products at retail.  
9           If a person owns or operates more than one place of business selling vapor products at  
10          retail, the person must secure a separate registration for each place of business selling  
11          vapor products. No fee may be charged for registration under this section.

12   **Section 8. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

13          A vapor product distributor shall maintain, for at least three years, a copy of the  
14          certification provided by a manufacturer pursuant to section 5 of this Act. A vapor product  
15          distributor shall provide a copy of the certification to the department, upon request.  
16          A violation of this section is a Class 2 misdemeanor.

17   **Section 9. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

18          The secretary may revoke a vapor product distributor license or the registration of  
19          any vapor product retailer for failure to comply with any provision of this chapter.

20          A person aggrieved by the revocation may, in writing, request a contested case  
21          hearing before the secretary. The request must be received by the department within  
22          fourteen days from the date the notice of revocation was mailed to the licensee by certified  
23          mail. If a request for a hearing is not received by the department within the time  
24          prescribed, the revocation becomes final. Any hearing must be conducted, and any appeal  
25          must be taken, pursuant to the provisions of chapters 1-26 and 1-26D.

26          A person who sells vapor products without a valid license or registration is guilty  
27          of a Class 1 misdemeanor.

28   **Section 10. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

1           A vapor product retailer may buy or receive vapor products only from a vapor  
2           product distributor. A violation of this section is a Class 2 misdemeanor.

3           **Section 11. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

4           A vapor product retailer shall maintain, for at least three years, documents  
5           establishing that the vapor products in the vapor product retailer's inventory were  
6           purchased from a vapor product distributor. A vapor product retailer shall provide a copy  
7           of the documents to the department, upon request.

8           A violation of this section is a Class 2 misdemeanor.

9           **Section 12. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

10           A vapor product in this state that does not meet the certification requirements  
11           pursuant to section 5 of this Act is contraband. Any person in possession of a contraband  
12           vapor product shall ensure it is disposed of in accordance with chapter 34A-11 and rules  
13           promulgated by the Department of Agriculture and Natural Resources in accordance with  
14           chapter 1-26.

15           The person shall provide proof of proper disposal, on a form prescribed by the  
16           secretary, to the department within sixty days of receiving notice from the department or  
17           any law enforcement officer of this state that the person is in possession of a contraband  
18           vapor product.

19           A person failing to provide proof of proper disposal as required by this section is  
20           guilty of a Class 2 misdemeanor.

21           **Section 13. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

22           A person who is engaged in the business of selling or distributing vapor products  
23           may not ship or transport, or cause to be shipped or transported, vapor products directly  
24           to any consumer in this state. This section applies regardless of whether the person  
25           engaged in the business of selling or distributing vapor products is located within or  
26           outside of this state.

27           **Section 14. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

28           The attorney general may seek an injunction to restrain a threatened or actual  
29           violation of section 13 of this Act.

1 **Section 15. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

2 The attorney general may bring a civil action in circuit court for any violation of  
3 section 13 of this Act. In addition to injunctive or any other relief, the court may impose,  
4 for a first violation of section 13 of this Act, a civil penalty in the amount of one thousand  
5 dollars or five times the retail value of the vapor products involved, whichever is greater.  
6 A subsequent violation of section 13 of this Act is punishable by a civil penalty of five  
7 thousand dollars or five times the retail value of the vapor products involved, whichever  
8 is greater.

9 **Section 16. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

10 Each shipment, transport, or attempted shipment or transport, of vapor products  
11 in violation of section 13 of this Act constitutes a separate violation.

12 **Section 17. That a NEW SECTION be added to a NEW CHAPTER in title 10:**

13 Unless otherwise expressly provided, the penalties or remedies, or both, under  
14 sections 14 to 16 of this Act, inclusive, are in addition to any other penalties and remedies  
15 available under any other law of this state. Nothing in sections 14 to 16 of this Act,  
16 inclusive, prohibits the collection of any applicable tax against a person receiving vapor  
17 products in violation of this chapter.