

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS15181-MGfa-91

Short Title: Vaping & Gambling Addiction Prev. Strategies. (Public)

Sponsors: Senator Burgin (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT RAISING THE MINIMUM AGE TO ACCESS TOBACCO PRODUCTS,
3 INCLUDING SMART VAPES AND OTHER VAPOR PRODUCTS; BROADENING THE
4 REQUIRED VAPOR PRODUCTS LICENSE REQUIREMENT; AND PROVIDING
5 FUNDING FOR GAMBLING ADDICTION EDUCATION AND TREATMENT
6 PROGRAMS THROUGH GAMING REVENUES COLLECTED BY THE LOTTERY
7 COMMISSION.

8 The General Assembly of North Carolina enacts:

9
10 **PART I. REVISIONS TO RAISE THE MINIMUM AGE TO ACCESS TOBACCO**
11 **PRODUCTS, INCLUDING SMART VAPES AND OTHER VAPOR PRODUCTS**

12 **SECTION 1.1.(a)** G.S. 14-313 reads as rewritten:

13 **"§ 14-313. Youth access to tobacco products, alternative nicotine products, vapor products,**
14 **and cigarette wrapping papers.**

15 (a) Definitions. – The following definitions apply in this section:

16 ...

17 (2) Proof of age. – A drivers license or other photographic identification that
18 includes the bearer's date of birth that purports to establish that the person is
19 ~~18-21~~ years of age or older.

20 ...

21 (5) Vapor product. – Any noncombustible product that employs a mechanical
22 heating element, battery, or electronic circuit regardless of shape or size and
23 that can be used to heat a consumable product. The term includes an electronic
24 cigarette, electronic cigar, electronic cigarillo, and electronic pipe. The term
25 also includes smart vapes and related products that are vapor products that
26 have designs and functionalities that resemble smart technology, including
27 phones and gaming devices. The term does not include any product regulated
28 by the United States Food and Drug Administration under Chapter V of the
29 federal Food, Drug, and Cosmetic Act.

30 ...

31 (b) Sale or Distribution to Persons Under the Age of ~~18-21~~ Years. – If any person shall
32 distribute, or aid, assist, or abet any other person in distributing tobacco products or cigarette
33 wrapping papers to any person under the age of ~~18-21~~ years, or if any person shall purchase
34 tobacco products or cigarette wrapping papers on behalf of a person under the age of ~~18-21~~ years,
35 the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be
36 unlawful to distribute tobacco products or cigarette wrapping papers to an employee when



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required in the performance of the employee's duties. Retail distributors of tobacco products shall prominently display near the point of sale a sign in letters at least five-eighths of an inch high which states the following:

N.C. LAW STRICTLY PROHIBITS

THE PURCHASE OF TOBACCO PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS,
VAPOR PRODUCTS, AND CIGARETTE WRAPPING PAPERS

BY PERSONS UNDER THE AGE OF ~~18-21~~.

PROOF OF AGE REQUIRED.

Failure to post the required sign shall be an infraction punishable by a fine of twenty-five dollars (\$25.00) for the first offense and seventy-five dollars (\$75.00) for each succeeding offense.

A person engaged in the sale of tobacco products or cigarette wrapping papers shall demand proof of age from a prospective purchaser if the person has reasonable grounds to believe that the prospective purchaser is under ~~18-21~~ years of age. Failure to demand proof of age as required by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under ~~18-21~~ years of age. Retail distributors of tobacco products or cigarette wrapping papers shall train their sales employees in the requirements of this law. Proof of any of the following shall be a defense to any action brought under this subsection:

- (1) The defendant demanded, was shown, and reasonably relied upon proof of age in the case of a retailer, or any other documentary or written evidence of age in the case of a nonretailer.
- (2) The defendant relied on the electronic system established and operated by the Division of Motor Vehicles pursuant to G.S. 20-37.02.
- (3) The defendant relied on a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under G.S. 20-37.7, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the card.

(b1) Distribution of Tobacco Products. – Tobacco products shall not be distributed in vending machines; provided, however, vending machines distributing tobacco products are permitted (i) in any establishment which is open only to persons ~~18-21~~ years of age and older; or (ii) in any establishment if the vending machine is under the continuous control of the owner or licensee of the premises or an employee thereof and can be operated only upon activation by the owner, licensee, or employee prior to each purchase and the vending machine is not accessible to the public when the establishment is closed. The owner, licensee, or employee shall demand proof of age from a prospective purchaser if the person has reasonable grounds to believe that the prospective purchaser is under ~~18-21~~ years of age. Failure to demand proof of age as required by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under ~~18-21~~ years of age. Proof that the defendant demanded, was shown, and reasonably relied upon proof of age shall be a defense to any action brought under this subsection. Any person distributing tobacco products through vending machines in violation of this subsection shall be guilty of a Class 2 misdemeanor.

(b2) Internet Distribution of Tobacco Products. – A person engaged in the distribution of tobacco products through the Internet or other remote sales methods shall perform an age verification through an independent, third-party age verification service that compares information available from public records to the personal information entered by the individual during the ordering process to establish that the individual ordering the tobacco products is ~~18-21~~ years of age or older.

(c) Purchase By Persons Under the Age of ~~18-21~~ Years. – If any person under the age of ~~18-21~~ years purchases or accepts receipt, or attempts to purchase or accept receipt, of tobacco products or cigarette wrapping papers, or presents or offers to any person any purported proof of

age which is false, fraudulent, or not actually his or her own, for the purpose of purchasing or receiving any tobacco product or cigarette wrapping papers, the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be unlawful for an employee to purchase or accept receipt of tobacco products or cigarette wrapping papers when required in the performance of the employee's duties.

(d) Sending or Assisting a Person [Less Than] ~~18-21~~ Years to Purchase or Receive Tobacco Products or Cigarette Wrapping Papers. – If any person shall send a person less than ~~18-21~~ years of age to purchase, acquire, receive, or attempt to purchase, acquire, or receive tobacco products or cigarette wrapping papers, or if any person shall aid or abet a person who is less than ~~18-21~~ years of age in purchasing, acquiring, or receiving or attempting to purchase, acquire, or receive tobacco products or cigarette wrapping papers, the person shall be guilty of a Class 2 misdemeanor; provided, however, persons under the age of ~~18-21~~ may be enlisted by police or local sheriffs' departments to test compliance if the testing is under the direct supervision of that law enforcement department and written parental consent is provided; provided further, that the Department of Health and Human Services shall have the authority, pursuant to a written plan prepared by the Secretary of Health and Human Services, to use persons under ~~18-21~~ years of age in annual, random, unannounced inspections, provided that prior written parental consent is given for the involvement of these persons and that the inspections are conducted for the sole purpose of preparing a scientifically and methodologically valid statistical study of the extent of success the State has achieved in reducing the availability of tobacco products to persons under the age of ~~18-21~~, and preparing any report to the extent required by section 1926 of the federal Public Health Service Act (42 USC § 300x-26).

...."

SECTION 1.1.(b) This Part becomes effective December 1, 2025, and applies to offenses committed on or after that date.

PART II. REVISIONS TO BROADEN THE VAPOR PRODUCTS LICENSE REQUIREMENT

SECTION 2.1.(a) G.S. 105-113.39A(a2) reads as rewritten:

"(a2) Vapor Products License. – A wholesale dealer or a retail dealer must obtain a vapor products license for all of the following locations:

- (1) Each location where a wholesale dealer makes vapor products.
- (2) Each location where a wholesale dealer or a retail dealer receives or stores non-tax-paid vapor products.
- (3) Each location from where a retail dealer that is a delivery seller or a remote seller receives or stores non-tax-paid vapor products for delivery sales if the location is a location other than the location described in subdivision (2) of this subsection.
- (4) Each location from where a retail dealer receives or stores tax-paid vapor products if the location is a location other than the location described in subdivision (2) of this subsection."

SECTION 2.1.(b) This Part becomes effective December 1, 2025.

PART III. FUNDING FOR GAMBLING ADDICTION EDUCATION AND TREATMENT PROGRAMS THROUGH GAMING REVENUES COLLECTED BY THE LOTTERY COMMISSION

SECTION 3.1. G.S. 105-113.128 reads as rewritten:

"§ 105-113.128. Use of tax proceeds.

The Secretary shall distribute the taxes collected under this Article, less the allowance to the Department of Revenue and reimbursement to the Lottery Commission for administrative expenses, in accordance with this section. The Secretary may retain the cost of administering this

Article, not to exceed five hundred thousand dollars (\$500,000) a year, as reimbursement to the Department. The Lottery Commission shall, no later than 20 days after the end of the month, notify the Department of its unreimbursed expenses from administering the provisions of Article 9 of Chapter 18C of the General Statutes from the previous month. The Department shall reimburse the Lottery Commission from the tax revenues collected under this Article no later than the end of the month in which the Department was notified. The remainder of the net proceeds of the tax collected under this Article are to be credited in the following priority:

- (1) ~~Two~~ Twelve million dollars ~~(\$2,000,000)–(\$12,000,000)~~ annually to the Department of Health and Human Services for the following:
 - a. Five million four hundred thousand dollars (\$5,400,000) for gambling addiction education and treatment programs, programs and recovery support services.
 - b. Four million two hundred thousand dollars (\$4,200,000) for prevention initiatives, including school-based programs.
 - c. Two million four hundred thousand dollars (\$2,400,000) for a statewide public awareness campaign.

...."

SECTION 3.2.(a) From the tax proceeds credited to the Department of Health and Human Services pursuant to G.S. 105-113.128, as amended by this act, the Department of Health and Human Services shall do all of the following:

- (1) Develop a statewide public awareness campaign about gambling addiction. In developing this campaign, the Department shall consult with addiction specialists and individuals who have lived experience with gambling addiction to (i) develop materials and initiatives to raise public awareness about the risks, potential harms, and addictive nature of gambling and (ii) promote resources for the prevention and treatment of gambling addiction. The statewide public awareness campaign shall include at least all of the following components:
 - a. Factual, evidence-based information about gambling addiction risks and warning signs.
 - b. Specific messaging about youth gambling and digital gambling platforms.
 - c. Real stories and testimonials from North Carolinians affected by gambling addiction.
 - d. Clear information about how to access treatment and support services for gambling addiction.
 - e. Availability of information in multiple languages reflecting North Carolina's diverse population.
 - f. Targeted messaging for high-risk populations as identified by current research.
 - g. Utilization of multiple media channels, including social media, television, radio, and community-based outreach.
- (2) Establish and administer a grant program that awards directed grants on a competitive basis to nonprofit organizations to implement or expand evidence-based gambling prevention and treatment programs. The Department of Health and Human Services shall develop an application process and eligibility criteria for the grant program authorized by this subdivision.
- (3) Expand access to treatment programs and services for individuals and families affected by gambling addiction.

- (4) Support gambling prevention initiatives targeting students in grades K-12, including efforts to raise awareness about gambling addiction among students and provide educational resources on the risks associated with gambling.

SECTION 3.2.(b) Annually by February 28, beginning February 28, 2026, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the use of the tax proceeds credited to the Department of Health and Human Services pursuant to G.S. 105-113.128, as amended by this act. The report shall include, at a minimum, all of the following information for the preceding fiscal year:

- (1) The number of grants awarded under Section 3.2(a)(2) of this act, the identity and a brief description of each grantee, and the amount of grant funds awarded to each grantee.
- (2) An itemized list of gambling addiction treatment programs and services funded by these proceeds and for each, an itemized list of expenditures.
- (3) The number of individuals served by each program or receiving services described in subdivision (2) of this subsection.
- (4) An evaluation of the effectiveness of the programs and services funded by these proceeds using objective performance evaluation metrics.

SECTION 3.2.(c) This section becomes effective July 1, 2025, and applies to gross wagering revenue received on or after that date.

PART IV. EFFECTIVE DATE

SECTION 4.1. Except as otherwise provided, this act is effective when it becomes law.