

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 355

As Amended by Senate Committee on Federal
and State Affairs

Brief*

SB 355, as amended, would make changes to the Kansas Cigarette and Tobacco Products Act (Act) to require electronic cigarette manufacturers to be licensed in the state and regulate electronic cigarette products in a similar fashion as other nicotine products. The bill would also prohibit the sale of electronic cigarette products marketed and advertised to minors and would make other technical and conforming changes.

Electronic Cigarette Manufacturer License

The bill would require every electronic cigarette manufacturer that engages in the sale of electronic cigarettes in Kansas, either directly or through a distributor, retailer, or a similar intermediary, to obtain an electronic cigarette manufacturer license from the Director of Alcoholic Beverage Control (Director). The application for such license would be made on a form prescribed by the Director and would be required to include:

- The name and address of the applicant;
- The name and address of each member, if the applicant is a firm, partnership, or association;
- The name and address of each corporate officer, if the applicant is a corporation;

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

- The address of the applicant's principal place of business;
- The place where the business to be licensed is to be conducted; and
- Such other information as the Director may require for the purpose of the administration of the Act.

An out-of-state applicant who ships or transports electronic cigarettes to distributors or retailers for sale in Kansas could make application for license as an electronic cigarette manufacturer and would be granted such a license by the Director if the person files with their application proof that the applicant has appointed the Secretary of State as the applicant's agent for service of process relating to any matter or issue arising under the Act. The licensee would then be subject to all the provisions of the Act and would be entitled to act as a licensed electronic cigarette manufacturer.

The bill would require a \$500 fee to accompany each application for an electric cigarette manufacturer's license. A person applying for a license between June 30 and December 31 of any year would only be required to pay half of the license fee.

Surety Bond

The bill would require an application to be accompanied by a corporate surety bond issued by a surety company authorized to do business in Kansas, conditioned for the payment when due of all taxes, penalties, and accrued interest that may be due. The bond would be in an amount and form determined by the Director. If the Director determines that the bond given by a licensee is inadequate, the Director would require an additional bond in an amount deemed sufficient by the Director.

The bill would require a separate application for license to be required for each place of business at which an electronic cigarette manufacturer proposes to engage in business under the Act but would provide for one bond in an amount determined by the Director to be provided for all applications made by such applicant.

Approval, Expiration, and Revocation of Licenses

Upon receipt of an application in proper form and payment of the required license fee, the bill would require the Director to issue a license to the applicant to conduct business as an electronic cigarette manufacturer at the place of business shown on the license, unless otherwise provided by the Act. The bill would require licenses to be prominently displayed on the premises named on the license, and licenses would not be transferable to any other person.

The bill would provide for licenses to expire on December 31 of each year following the date the license is issued, unless the license is revoked by the Director or the business is transferred. In either case, the bill would require the holder of the license to immediately surrender such license to the Director.

Licensee Purchasing and Selling

The bill would state that all wholesale dealers, distributors, and retailers could only purchase cigarettes, electronic cigarettes, smokeless tobacco, and roll-your-own tobacco from a manufacturer, electronic cigarette manufacturer, wholesale dealer, or distributor that holds a valid license under the Act. The purchaser would be required to verify that the seller holds a valid license before completing the transaction.

All manufacturers, electronic cigarette manufacturers, wholesale dealers, and distributors would only be allowed to sell cigarettes, electronic cigarettes, smokeless tobacco, and

roll-your-own tobacco to a wholesale dealer, distributor, or retailer that holds a valid license issued pursuant to the Act. The seller would be required to verify that the purchaser holds a valid license before completing the transaction.

Lists of Licensees

The bill would require the Department of Revenue to publish a list of persons that hold an active license issued pursuant to the Act and a list of those persons holding a suspended or revoked license, including the date such suspension or revocation commenced and the date of anticipated reinstatement, if any.

Marketing and Advertising to Children

Under the bill, it would be unlawful to market, advertise, sell, or cause to be sold an electronic cigarette if such electronic cigarette's container, packaging, or advertising:

- Depicts a cartoon-like fictional character that mimics a character primarily aimed at entertaining minors;
- Imitates or mimics trademarks or trade dress of products that are or have been primarily marketed to minors;
- Includes a symbol that is primarily used to market products to minors;
- Includes an image of a celebrity; or
- Is designed to disguise the fact that such product is an electronic cigarette.

The bill would also make it unlawful to market, advertise, sell, or cause to be sold an electronic cigarette that has entertainment features, such as the ability to play games,

play music or other audio, display photos or video, or any similar electronic entertainment features.

Other Changes to the Kansas Cigarette and Tobacco Product Act

The bill would add to the Act a definition of “electronic cigarette manufacturer” to mean any person engaged in the business of manufacturing, fabricating, assembling, processing, or labeling electronic cigarettes for sale in Kansas. The bill would also make conforming changes to add “electronic cigarettes” throughout the Act, including to the definition of “distributor.” The bill would also add “electronic cigarettes” to, and reorganize the provision pertaining to, the written statement signed by the purchaser in an internet, telephone, or other mail-order transaction that is required in current law, including the confirmation that the products are not intended for consumption by an individual who is younger than the legal minimum age.

Background

The bill was introduced by the Senate Committee on Federal and State Affairs at the request of a representative of Altria Client Services.

Senate Committee on Federal and State Affairs

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Altria Client Services, CheckersXtra, Fuel True Independent Energy and Convenience, and Saint Joe Distributing. The conferees generally stated that the bill would provide a clearer regulatory framework for electronic cigarette products, treating them similarly to how the State regulates other nicotine products and protecting businesses and consumers.

Written-only proponent testimony was provided by representatives of Amcon Distributing Company, the Office of the Attorney General, and Core-Mark.

Neutral testimony was provided by a private citizen, who stated that legislators should aim to balance the health and safety of the public through oversight of electronic cigarette manufacturers with limiting undue burdens on businesses and consumers.

Opponent testimony was provided by a representative of McVapour, who stated that the bill would place a regulatory burden on business owners, particularly for small electronic cigarette stores in the state.

Written-only opponent testimony was provided by a representative of McVapour.

No other testimony was provided.

The Senate Committee amended the bill to prohibit the sale of electronic cigarettes marketed to minors.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue states enactment of the bill would have a fiscal effect on revenues and expenditures for the agency beginning in FY 2027. Additional expenditures would include \$4,045 for administrative expenditures and \$16,000 for IT E-Commerce expenditures, for a total of \$20,045 for FY 2027 only. The Department of Revenue estimates that there would be approximately 100 electronic cigarette manufacturers that would apply for a license under the bill. There would be an annual \$500 fee for an electronic cigarette manufacturing license, but any application between June 30 and December 31 would be required to pay half that fee. The estimated revenue from licensing fees would be \$25,000 in FY 2027

and \$50,000 annually thereafter. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Electronic cigarettes; tobacco products; Kansas Cigarette and Tobacco Product Act; licensure