

20-X-28-.01 Suspension Or Revocation of Tobacco Permit for Default In Payment and Reinstatement of Permit.

1. a) After all commercially reasonable efforts to collect a delinquent invoice for the sale of tobacco, tobacco products, alternative nicotine products and/or electronic nicotine delivery systems have failed, a manufacturer or distributor of such products may notify the Board of such default by submission of a notarized affidavit on a form provided by the Board. For purposes of this regulation a manufacturer or distributor includes any seller of tobacco, tobacco products, alternative nicotine products and/or electronic nicotine delivery systems.
The affidavit shall be submitted within 15 days of the failure of all regular collection attempts and shall include all of the following information:
 - i. the name of the debtor permittee,
 - ii. the name of creditor manufacturer/distributor,
 - iii. the invoice due date or the date of return of the insufficient instrument, as applicable,
 - iv. the amount of unpaid indebtedness for tobacco, tobacco products, alternative nicotine products, and electronic nicotine delivery systems.
- b) As used in this section, commercially reasonable efforts shall include, but not be limited to, the following:
 - i. contacting the debtor via e-mail,
 - ii. contacting the debtor by phone, and/or
 - iii. contacting the debtor by registered mail.
2. a. Upon receipt of a manufacturer's or distributor's notarized affidavit, the ABC Board shall notify the permittee of its intent to post a Notice of Default of Payment on the ABC Board's public website.

b. Unless the manufacturer/distributor notifies the ABC Board before the expiration of 3 business days from the date of the notification to the permittee, that the obligation/default has been satisfied, the ABC Board shall post on its public website, a Notice of Default of Payment, including the following items:

- i. the name of the debtor permittee,
- ii. the name of creditor manufacturer/distributor,
- iii. the invoice due date or the date of return of the insufficient instrument, as applicable, and
- iv. the amount of unpaid indebtedness for tobacco, tobacco products, alternative nicotine products, and electronic nicotine delivery systems.

c. Once the notice is posted, no person shall sell or deliver any tobacco, tobacco products, alternative nicotine products, and/or electronic nicotine delivery systems, other than cash on delivery, until such time as the Notice of Default of Payment is removed from the ABC Board's website.

d. The permittee may request a hearing before the ABC Hearing Commission within sixty (60) days of the date of notice. Failure of the permittee to satisfy the obligation or request a hearing within sixty (60) days of the date of the notice will result in immediate suspension of his/her permit.

e. If the permit is suspended and the permittee pays his or her obligation to the manufacturer/distributor prior to the end of the suspension period and the permittee seeks early reinstatement, the permittee may pay an additional fee of \$1000 or the amount of the debt owed, whichever is less. Each failure to pay the obligation by the end of the suspension period shall be considered a separate offense and will result in an additional 30-day suspension.

3. A manufacturer or distributor that accepts payment on terms for tobacco, tobacco products, alternative nicotine products, and/or electronic nicotine delivery systems while the permittee is listed on the ABC

Board's website, is in violation of ABC Rules and Regulations, and the ABC Board will not pursue action pertaining to future obligations in arrears.

Author: ABC Board Statutory Authority:

Code of Ala. 1975, §§28-X-32; 28-X-3-.19; 28-X-3-.49; 28-X-3A-.23; 28-X-3A-.25; 28-11-20.

History: New Rule: Filed June 9, 2023; effective August 14, 2023.