

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: S3/1/21

# A Bill

SENATE BILL 338

5 By: Senator L. Eads  
6 By: Representative M. Gray  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS TOBACCO PRODUCTS TAX ACT  
10 OF 1977; TO PROVIDE A GRACE PERIOD FOR CERTAIN  
11 CIRCUMSTANCES AT A PERMITTED BUSINESS LOCATION; TO  
12 ALLOW THIRTY (30) DAYS TO OPERATE UNDER A PRIOR  
13 PERMIT WHEN A CIRCUMSTANCE OCCURS THAT VOIDS THE  
14 PRIOR PERMIT; AND FOR OTHER PURPOSES.  
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## Subtitle

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18 TO AMEND THE ARKANSAS TOBACCO PRODUCTS  
19 TAX ACT OF 1977; AND TO PROVIDE A GRACE  
20 PERIOD FOR CERTAIN CIRCUMSTANCES AT A  
21 PERMITTED BUSINESS LOCATION.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 26-57-214(a), concerning the registration  
27 and permitting required before doing business under the Arkansas Tobacco  
28 Products Tax Act of 1977, is amended to read as follows:

29 (a)(1) A Except as stated in subdivision (a)(2) of this section, a  
30 person shall not deal with, deliver or cause to be delivered to a retailer or  
31 consumer, or otherwise do business in tobacco products, vapor products,  
32 alternative nicotine products, or e-liquid products in this state without  
33 first registering with the Director of Arkansas Tobacco Control and obtaining  
34 a permit for that purpose.

35 (2) A person purchasing an existing permitted retail location  
36 may, with the permission of the seller and the Division of Tobacco Control,



1 operate under the selling owner's permit for no more than thirty (30) days  
2 from the date of the sale.

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4 SECTION 2. Arkansas Code § 26-57-215(a), concerning the types of  
5 permits under the Arkansas Tobacco Products Tax Act of 1977, is amended to  
6 read as follows:

7 (a)(1) Each person listed in this section, before commencing business,  
8 or if already in business, before continuing, shall pay an annual privilege  
9 fee and secure a permit from the Director of Arkansas Tobacco Control.

10 (2) A person purchasing an existing permitted retail location  
11 may, with the permission of the seller and the Division of Tobacco Control,  
12 operate under the selling owner's permit for no more than thirty (30) days  
13 from the date of the sale.

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15 SECTION 3. Arkansas Code § 26-57-215(d), concerning the types of  
16 permits under the Arkansas Tobacco Products Tax Act of 1977, is amended to  
17 read as follows:

18 (d)(1) When an entity transfers a business permitted under this  
19 subchapter, the entity to which the business is transferred:

20 (A) shall ~~shall~~ apply for ~~and may be issued~~ a new permit  
21 under this subchapter;

22 (B) May be issued a new permit under this subchapter; and

23 (C) May operate under the selling entity's permit for no  
24 more than thirty (30) days from the date of the sale.

25 (2) When a partnership or limited liability company permitted  
26 under this subchapter changes, removes, or replaces the managing partner,  
27 managing member, president, or chief executive officer:

28 (A) the ~~The~~ existing permit issued under this subchapter  
29 is void~~;~~ and

30 (B) the ~~The~~ partnership or limited liability company:

31 (i) shall ~~shall~~ apply for ~~and may be issued~~ a new  
32 permit under this subchapter;

33 (ii) May be issued a new permit under this  
34 subchapter; and

35 (iii) May operate under the voided permit for no  
36 more than thirty (30) days from the date of the change, removal, or

1 replacement.

2 (3) When a nonpublicly traded corporation permitted under this  
3 subchapter changes, removes, or replaces the president or chief executive  
4 officer named on the permit or changes, removes, or replaces a stockholder  
5 who owns fifty percent (50%) or more of the total voting shares of the  
6 nonpublicly traded corporation's stock;

7 (A) ~~the~~ The permit issued under this subchapter is void;  
8 and

9 (B) ~~the~~ The nonpublicly traded corporation:

10 (i) ~~shall~~ Shall apply for ~~and may be issued~~ a new  
11 permit under this subchapter;

12 (ii) May be issued a new permit under this  
13 subchapter; and

14 (iii) May operate under the voided permit for no  
15 more than thirty (30) days from the date of the change, removal, or  
16 replacement.

17 (4) When a publicly traded corporation permitted under this  
18 subchapter changes, removes, or replaces the president or chief executive  
19 officer named on the permit or changes, removes, or replaces a stockholder  
20 who owns fifty percent (50%) or more of the total voting shares of the  
21 publicly traded corporation's stock;

22 (A) ~~the~~ The permit issued under this subchapter is void;  
23 and

24 (B) ~~the~~ The publicly traded corporation:

25 (i) ~~shall~~ Shall apply for ~~and may be issued~~ a new  
26 permit under this subchapter;

27 (ii) May be issued a new permit under this  
28 subchapter; and

29 (iii) May operate under the voided permit for no  
30 more than thirty (30) days from the date of the change, removal, or  
31 replacement.

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33 SECTION 4. Arkansas Code § 26-57-221 is amended to read as follows:

34 26-57-221. Permits - Not transferable.

35 (a) A permit is not:

36 (1) Transferable to a subsequent owner or operator; or

