

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1980

Bill Subtitle: TO AMEND THE UNFAIR CIGARETTE SALES ACT; TO AMEND THE ARKANSAS TOBACCO PRODUCTS TAX ACT OF 1977; AND TO DECLARE AN EMERGENCY.

Basic Change :

Sponsor: Rep. A. Davis

HB1980 amends the Unfair Cigarette Sales Act, § 4-75-701, et seq, and the Arkansas Tobacco Products Act of 1977, § 26-57-201, et seq. HB1980 is primarily a statutory clean-up bill pertaining to Arkansas Tobacco Control (ATC). This bill amends numerous sections of the Arkansas Code concerning the powers and duties of the Arkansas Tobacco Control Board (ATCB) to enforce the permitting requirements under the Arkansas Tobacco Products Act and the Unfair Cigarette Sales Act. This bill makes technical corrections and removes obsolete language pertaining to tobacco products. In addition, this bill also adds ATC and ATCB to the list of claimant agencies that may setoff a debt owed to ATC or ATCB against a state income tax refund.

Regarding the current annual privilege fees charged under § 26-57-219, HB1980 makes the following changes:

- Combines the current Wholesale Cigarette Permit (\$500) and the current Wholesale Tobacco, Vapor Product, and Alternative Nicotine Permit (\$500) into one all-inclusive Wholesale Permit with a fee of \$1,000. The bill also renames this permit as the Wholesale Permit (Tobacco Products, Vapor Products, Alternative Nicotine Products, or E-liquid Products).
- Interchanges the current Retail Cigarette, Tobacco, Vapor Product, and Alternative Nicotine Product Permit fee of \$50 with the current Retail Exclusive Vapor Product and Alternative Nicotine Product Permit fee of \$100. The bill also renames the permits as Retail Permit (Tobacco Products, Vapor Products, Alternative Nicotine Products, or E-liquid Products) and Retail Vapor Product and E-liquid Product Only Permit.

The bill also creates the following two permits:

- Manufacturer Vapor Product and E-liquid Product Only Permit - \$500 fee; and
- Vapor Product and E-liquid Product Exclusive Permit (Manufacturer, Wholesaler, or Retailer) - \$1,000 fee.

HB1980 has an emergency clause and would be effective May 1, 2019.

Revenue Impact :

Undetermined increase in permit fees collected by ATC.

Taxpayer Impact :

Depending upon the type of tobacco permit held, a permit holder may have a different annual fee charged by ATC.

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Resources Required :

No additional resources required.

Time Required :

Adequate time is allowed for implementation.

Procedural Changes :

No anticipated procedural changes.

Other Comments :

None.

Legal Analysis :

HB1980 operates to repeal or amend various sections of the Unfair Cigarette Sales Act, § 4-75-701, et seq, and the Arkansas Tobacco Products Act of 1977, § 26-57-201, et seq, by making several changes throughout the Arkansas Code for primarily statutory clean-up purposes. The bill does not conflict with any provision of existing law or create constitutional concerns. The changes do not affect the Master Settlement Agreement regarding the sale and use of cigarettes and tobacco products.

The bill contains an emergency clause with an effective date of May 1, 2019.