

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/19/09 H3/23/09

A Bill

HOUSE BILL 1858

5 By: Representative Betts
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS ARKANSAS LAWS CONCERNING
10 THE REGULATION OF TOBACCO PRODUCTS; AND FOR OTHER
11 PURPOSES.
12

Subtitle

13 TO AMEND VARIOUS ARKANSAS LAWS
14 CONCERNING THE REGULATION OF TOBACCO
15 PRODUCTS.
16
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 4-75-702(6), concerning the definition of
22 director, is amended to read as follows:

23 (6) "Director" means the Director of ~~the~~ Arkansas Tobacco
24 Control ~~Board~~;
25

26 SECTION 2. Arkansas Code § 4-75-706 is amended to read as follows:

27 4-75-706. Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ – Powers and
28 duties.

29 (a)(1) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall
30 prescribe, adopt, and enforce rules ~~and regulations~~ relating to the
31 administration and enforcement of this subchapter.

32 (2)(A) The director is empowered to and may from time to time
33 undertake and make or cause to be made one (1) or more cost surveys for the
34 state or such trading area as he or she shall define, and when the cost
35 survey shall have been made by or approved by the director, it shall be
36 permissible to use the cost survey as provided in § 4-75-711(b).



1 (B) The director is also empowered to investigate price
2 fixing.

3 (3) The director may revoke or suspend the license issued under
4 the provisions of this subchapter of any person who refuses or neglects to
5 comply with any provisions of this subchapter or any rule ~~or regulation~~ of
6 the director prescribed under this subchapter.

7 (b) Whenever any person fails to comply with any provision of this
8 subchapter or any rule ~~or regulation~~ of the director promulgated under this
9 subchapter, the director, upon a hearing, after giving the person ten (10)
10 days' notice in writing specifying the time and place of the hearing and
11 requiring the person to show cause why his or her license should not be
12 revoked, may revoke or suspend the license held by the person.

13 (c) Any ruling, order, or decision of the director shall be subject to
14 review, as provided by law, in any court of competent jurisdiction in the
15 county in which the person affected resides.

16
17 SECTION 3. Arkansas Code § 4-75-707(b), concerning the issuance of
18 licenses by the Director of the Arkansas Tobacco Control Board, is amended to
19 read as follows:

20 (b) All such licenses shall be issued by the Director of ~~the~~ Arkansas
21 Tobacco Control ~~Board~~, or his or her designated agent, who shall make rules
22 ~~and regulations~~ respecting applications therefor and issuance thereof.

23
24 SECTION 4. Arkansas Code § 4-75-713(a), concerning remedies for
25 violations of the Unfair Cigarette Sales Act, is amended to read as follows:

26 (a) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ or any person
27 injured by any violation or who would suffer injury from any threatened
28 violation of this subchapter may maintain an action in any court of equitable
29 jurisdiction to prevent, restrain, or enjoin the violation or threatened
30 violation.

31
32 SECTION 5. Arkansas Code § 4-75-714 is amended to read as follows:

33 4-75-714. Enforcement Agents – Selection – Qualifications – Authority.

34 ~~The Director of the Arkansas Tobacco Control Board shall designate the~~
35 ~~personnel assigned as agents of the Arkansas Tobacco Control Board, who, upon~~
36 ~~meeting the qualifications established by the Arkansas Commission on Law~~

1 ~~Enforcement Standards and Training, shall have the powers of specialized law~~
2 ~~enforcement officers for the purpose of conducting investigations pertaining~~
3 ~~to violations of tobacco laws in this state.~~

4 (a) The Arkansas Tobacco Control Board is designated as a law
5 enforcement agency.

6 (b) The Director of Arkansas Tobacco Control shall assign personnel as
7 agents of Arkansas Tobacco Control to conduct investigations of violations of
8 tobacco laws in this state.

9 (c) Personnel assigned as agents of the board shall:

10 (1) Be considered a law enforcement officer by the Arkansas
11 Commission on Law Enforcement Standards and Training under § 12-9-101 et
12 seq.; and

13 (2) Have statewide law enforcement authority.

14
15 SECTION 6. Arkansas Code § 5-27-227 is amended to read as follows:

16 5-27-227. Providing minors with tobacco products and cigarette papers –
17 Purchase, use, or possession prohibited – Self-service displays prohibited –
18 Placement of tobacco vending machines.

19 (a)(1) It is unlawful for any person to give, barter, or sell to a
20 minor:

21 ~~(1)(A) Tobacco in any form; or~~

22 ~~(2)(B) A cigarette paper.~~

23 (2) A person who pleads guilty or nolo contendere to or is found
24 guilty of violating subdivision (a)(1) of this section is guilty of a
25 violation and is subject to a fine not to exceed one hundred dollars (\$100)
26 per violation.

27 (3) An employee of an Arkansas Retail Cigarette and Tobacco
28 permit holder who violates subdivision (a)(1) of this section is subject to a
29 fine not to exceed one hundred dollars (\$100) per violation.

30 ~~(b) It is unlawful for any minor:~~

31 ~~(1) Unless acting as an agent of the minor's employer within the~~
32 ~~scope of employment, to use or possess:~~

33 ~~(A) Tobacco in any form; or~~

34 ~~(B) A cigarette paper;~~

35 ~~(2) To purchase or attempt to purchase:~~

36 ~~(A) Tobacco in any form; or~~

1 ~~(B) A cigarette paper; or~~

2 ~~(3) For the purpose of obtaining or attempting to obtain tobacco~~
3 ~~in any form or a cigarette paper, to use any:~~

4 ~~(A) Falsified identification; or~~

5 ~~(B) Identification other than his or her own.~~

6 ~~(c)(1) It is not an offense under subdivisions (b)(1) or (2) of this~~
7 ~~section if a minor was acting at the direction of an employee or authorized~~
8 ~~agent of a governmental agency authorized to enforce or ensure compliance~~
9 ~~with a law relating to the prohibition of the sale of tobacco in any form or~~
10 ~~a cigarette paper to a minor.~~

11 ~~(2) Any minor used in the manner described in subdivision (c)(1)~~
12 ~~of this section by a governmental agency shall display the appearance of a~~
13 ~~minor.~~

14 ~~(3)(A) If questioned by a retailer or an agent or employee of a~~
15 ~~retailer about his or her age, the minor shall state his or her actual age~~
16 ~~and shall present a true and correct identification if verbally asked to~~
17 ~~present it.~~

18 ~~(B) If verbally asked for it, any failure on the part of~~
19 ~~the minor to provide true and correct identification is a defense to any~~
20 ~~action pursuant to this section or a civil action under § 26-57-257.~~

21 ~~(4) No minor is subject to arrest or search by any law~~
22 ~~enforcement officer merely on the ground that the minor has or may have~~
23 ~~possession of tobacco or a cigarette paper.~~

24 ~~(d) No person shall engage or direct a minor to violate any provision~~
25 ~~of this section for purposes of determining compliance with a provision of~~
26 ~~this section unless the person has procured the written consent of a parent~~
27 ~~or guardian of the minor to so engage or direct the minor and the person is:~~

28 ~~(1) An officer having authority to enforce a provision of this~~
29 ~~section;~~

30 ~~(2) An employee of the Arkansas Tobacco Control Board or a~~
31 ~~prosecuting attorney;~~

32 ~~(3) An authorized representative of a business acting pursuant~~
33 ~~to a self-compliance program designed to increase compliance with this~~
34 ~~section;~~

35 ~~(4) An employee or authorized representative of the Department~~
36 ~~of Health; or~~

1 ~~(5) An employee or authorized agent of a governmental agency~~
2 ~~authorized to enforce or ensure compliance with a provision of this section.~~

3 (b)(1) It is unlawful for a minor to:

4 (A) Use or possess or to purchase, or attempt to purchase:

5 (i) Tobacco in any form; or

6 (ii) Cigarette papers; or

7 (B) For the purpose of obtaining or attempting to obtain
8 tobacco in any form or cigarette papers, falsely represent himself or herself
9 to be eighteen (18) years of age or older by displaying proof of age that is
10 false, fraudulent, or not actually proof of the minor's age.

11 (2) Any cigarettes, tobacco products, or cigarette papers found
12 in the possession of a minor may be confiscated and destroyed by a law
13 enforcement officer.

14 (c)(1) It is not an offense under subsection (b) of this section if:

15 (A) The minor was acting at the direction of an authorized
16 agent of the Arkansas Tobacco Control Board to enforce or ensure compliance
17 with laws relating to the prohibition of the sale of tobacco in any form or
18 cigarette papers to minors;

19 (B) The minor was acting at the direction of an authorized
20 agent of the Office of Alcohol and Drug Abuse Prevention to compile
21 statistical data relating to the sale of tobacco in any form or cigarette
22 papers to minors;

23 (C) The minor was acting at the request of an Arkansas
24 Retail Cigarette and Tobacco permit holder to assist the permit holder by
25 performing a check on the permit holder's own retail business to see if the
26 permit holder's employees would sell tobacco or cigarette papers to the
27 minor; or

28 (D) The minor was acting as an agent of a retail permit
29 holder within the scope of employment.

30 (2) A minor performing activities under subdivision (c)(1) of
31 this section shall:

32 (A) Display the appearance of a minor;

33 (B) Have the written consent of the minor's parent or
34 guardian to perform the activity on file with the agency utilizing the minor;
35 and

36 (C)(i) Present a true and correct identification if asked.

1 (ii) Any failure on the part of a minor to provide
 2 true and correct identification upon request is a defense to any action under
 3 this section or a civil action under § 26-57-256.

4 ~~(e)(d)~~ Any person who sells tobacco in any form or a cigarette paper
 5 has the right to deny the sale of any tobacco in any form or a cigarette
 6 paper to any person.

7 ~~(f)(e)~~ It is unlawful for any person who has been issued a permit or a
 8 license under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et
 9 seq., to fail to display in a conspicuous place or on each vending machine a
 10 sign indicating that the sale of tobacco products to or purchase or
 11 possession of tobacco products by a minor is prohibited by law.

12 ~~(g)(f)~~ It is unlawful for any manufacturer whose tobacco product is
 13 distributed in this state and any person who has been issued a permit or
 14 license under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et
 15 seq., to distribute a free sample of any tobacco product or coupon that
 16 entitles the holder of the coupon to any free sample of any tobacco product:

17 (1) In or on any public street or sidewalk within five hundred
 18 feet (500') of any playground, public school, or other facility when the
 19 playground, public school, or other facility is being used primarily by
 20 minors for recreational, educational, or other purposes; or

21 (2) To any minor.

22 ~~(h)(g)(1)(A)~~ It is unlawful for any person that has been issued a
 23 permit or license under the Arkansas Tobacco Products Act of 1977, § 26-57-
 24 201 et seq., to sell or distribute a cigarette product through a self-service
 25 display.

26 (B) Subdivision ~~(h)(1)(A)~~ (g)(1)(A) of this section does
 27 not apply to a:

28 (i) Vending machine that complies with subdivision
 29 ~~(i)(1)(A)~~ (h)(1)(A) of this section; or

30 (ii) Retail tobacco store.

31 (2) As used in subdivision ~~(h)(1)~~ (g)(1) of this section:

32 (A) "Retail tobacco store" means a retail store utilized
 33 primarily for the sale of tobacco products and accessories and in which the
 34 sale of other products is merely incidental; and

35 (B) "Self-service display" means a display:

36 (i) That contains a cigarette product;

1 (ii) That is located in an area where customers are
2 permitted; and

3 (iii) In which the cigarette product is readily
4 accessible to a customer without the assistance of a salesperson.

5 ~~(i)(h)(1)(A)~~ Except as provided in subdivision ~~(i)(2)(h)(2)~~ of this
6 section, it is unlawful for any person who owns or leases a tobacco vending
7 machine to place a tobacco vending machine in a public place.

8 (B) As used in subdivision ~~(i)(1)(A)(h)(1)(A)~~ of this
9 section, "public place" means a publicly or privately owned place to which
10 the public or a substantial number of people have access.

11 (2) A tobacco vending machine may be placed in a:

12 (A) Restricted area within a factory, business, office, or
13 other structure to which a member of the general public is not given access;

14 (B) Permitted premises that has a permit for the sale or
15 dispensing of an alcoholic beverage for on-premises consumption that restrict
16 entry to a person twenty-one (21) years of age or older; or

17 (C) Place where the tobacco vending machine is under the
18 supervision of the owner or an employee of the owner.

19 ~~(j)(i)(1)~~ Any retail permit holder or license holder who violates any
20 provision in this section is deemed guilty of a violation and subject to ~~the~~
21 ~~following~~ penalties under § 26-57-256+.

22 ~~(A) If the alleged violator has received a notice of an~~
23 ~~alleged violation from the Arkansas Tobacco Control Board or other agency or~~
24 ~~official with the authority to assess a penalty containing the information~~
25 ~~specified in this subchapter, a fine not to exceed two hundred fifty dollars~~
26 ~~(\$250) for a first violation within a forty-eight month period;~~

27 ~~(B) For a second violation within a forty-eight month~~
28 ~~period;~~

29 ~~(i) A fine not to exceed five hundred dollars~~
30 ~~(\$500); and~~

31 ~~(ii) Suspension of the license or permit enumerated~~
32 ~~in § 26-57-219 for a period not to exceed two (2) days;~~

33 ~~(C) For a third violation within a forty-eight month~~
34 ~~period;~~

35 ~~(i) A fine not to exceed one thousand dollars~~
36 ~~(\$1,000); and~~

1 ~~(ii) Suspension of the license or permit enumerated~~
 2 ~~in § 26-57-219 for a period not to exceed seven (7) days;~~

3 ~~(D) For a fourth or subsequent violation within a forty-~~
 4 ~~eight month period;~~

5 ~~(i) A fine not to exceed two thousand dollars~~
 6 ~~(\$2,000); and~~

7 ~~(ii) Suspension of the license or permit enumerated~~
 8 ~~in § 26-57-219 for a period not to exceed fourteen (14) days; and~~

9 ~~(E) For a fifth violation within a forty-eight month~~
 10 ~~period, the license or permit enumerated in § 26-57-219 may be revoked.~~

11 ~~(2) Upon any revocation or suspension of a permit or license~~
 12 ~~under a provision of subdivision (j)(1) of this section, the person shall not~~
 13 ~~be issued any new permit or license to distribute or sell a tobacco product~~
 14 ~~during the period of suspension or revocation.~~

15 ~~(k)(j)(1)~~ A notice of alleged violation of this section shall be given
 16 to the holder of a retail permit or license or an agent of the holder within
 17 ten (10) days of the alleged violation.

18 (2)(A) The notice shall contain the date and time of the alleged
 19 violation.

20 (B)(i) The notice shall also include either the name of
 21 the person making the alleged sale or information reasonably necessary to
 22 determine the location in the store that allegedly made the sale.

23 (ii) When appropriate, information under subdivision
 24 ~~(k)(j)(2)(B)(i)~~ of this section should include, but not be limited to, the:

25 (a) Cash register number;

26 (b) Physical location of the sale in the
 27 store; and

28 (c) If possible, the lane or aisle number.

29 ~~(l)(k)~~ Notwithstanding the provisions of subsection ~~(j)(i)~~ of this
 30 section, the court shall consider the following factors when reviewing a
 31 possible violation:

32 (1) The business has adopted and enforced a written policy
 33 against selling cigarettes or tobacco products to minors;

34 (2) The business has informed its employees of the applicable
 35 laws regarding the sale of cigarettes and tobacco products to minors;

36 (3) The business has required employees to verify the age of a

1 cigarette or tobacco product customer by way of photographic identification;

2 (4) The business has established and imposed disciplinary
3 sanctions for noncompliance; and

4 (5) That the appearance of the purchaser of the tobacco in any
5 form or cigarette papers was such that an ordinary prudent person would
6 believe him or her to be of legal age to make the purchase.

7 ~~(m) Any cigarette or tobacco product found in the possession of a
8 minor may be confiscated.~~

9 ~~(n) An employee of a permit holder who violates § 5-27-227 is subject
10 to a fine not to exceed one hundred dollars (\$100) per violation.~~

11 ~~(o)(1)~~ A person convicted of violating any provision of this section
12 whose permit or license to distribute or sell a tobacco product is suspended
13 or revoked upon conviction shall surrender to the court any permit or license
14 to distribute or sell a tobacco product and the court shall transmit the
15 permit or license to distribute or sell a tobacco product to the Director of
16 the Department of Finance and Administration and instruct the Director of the
17 Arkansas Tobacco Control Board:

18 (1) To suspend or revoke the person's permit or license to
19 distribute or sell a tobacco product and to not renew the permit or license;
20 and

21 (2) Not to issue any new permit or license to that person for
22 the period of time determined by the court in accordance with this section.
23

24 SECTION 7. Arkansas Code § 26-57-203(8), concerning the definition of
25 licensed under the Arkansas Tobacco Products Tax Act of 1977, is amended to
26 read as follows:

27 (8) "Licensed" means that the person has received a license or
28 permit from the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ and is
29 otherwise qualified to do business in this state, except that "licensed" does
30 not mean that a person is registered as a manufacturer;

31
32 SECTION 8. Arkansas Code § 26-57-206 is amended to read as follows:
33 26-57-206. Rules ~~and regulations~~.

34 The Director of the Department of Finance and Administration and the
35 Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ are empowered to promulgate
36 rules ~~and regulations~~ for the proper enforcement of their powers and duties

1 as specifically prescribed by this subchapter, except the Director of ~~the~~
2 Arkansas Tobacco Control ~~Board~~ shall have no authority to promulgate rules
3 ~~and regulations~~ regarding manufacturers.
4

5 SECTION 9. Arkansas Code § 26-57-213(b), concerning the retention of
6 invoices for the purchase or sale of tobacco products, is amended to read as
7 follows:

8 (b) Copies of all invoices for the purchase or sale of any tobacco
9 products shall be retained by each manufacturer, wholesaler, vendor, and
10 retailer for a period of three (3) years, subject to examination by the
11 Director of the Department of Finance and Administration and the Director of
12 ~~the~~ Arkansas Tobacco Control ~~Board~~ or their authorized agents upon demand at
13 any time during regular business hours, except that only the Director of the
14 Department of Finance and Administration may examine the invoices of
15 manufacturers.
16

17 SECTION 10. Arkansas Code § 26-57-214 is amended to read as follows:

18 26-57-214. Registration and licensing required prior to doing business.

19 (a) *No person shall deal with, deliver or cause to be delivered to any*
20 *retailer or consumer,* or otherwise do business in tobacco products in this
21 state without having first registered with the Director of ~~the~~ Arkansas
22 Tobacco Control ~~Board~~ and obtained a permit or license for that purpose,
23 except that a manufacturer need only to register in accordance with § 26-57-
24 215(b)(1).

25 (b) All permits and licenses shall be issued by the director.

26 (c) A wholesaler, retailer, general tobacco products vendor, or
27 restricted tobacco products vendor who intends to sell tobacco products at or
28 from one (1) or more places of business owned, rented, or leased by it shall
29 be required to obtain a separate license for each such place of business.

30 (d)(1) Any person licensed as a wholesaler shall not operate as a
31 retailer unless a retailer's license is first secured.

32 (2) Any person licensed as a retailer shall not operate as a
33 wholesaler unless a wholesaler's license is first secured.

34 (e) Any person who pleads guilty or nolo contendere to or is found
35 guilty of buying, selling, or otherwise doing business in cigarettes or
36 tobacco products in this state without first obtaining the appropriate

1 license or permit is guilty of a Class C misdemeanor.

2
3 SECTION 11. Arkansas Code § 26-57-215(a), concerning licensure by the
4 Director of the Arkansas Tobacco Control Board, is amended to read as
5 follows:

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

10
11 SECTION 12. Arkansas Code § 26-57-215(b)(3), concerning the
12 surrendering of a salesperson's license to the Director of the Arkansas
13 Tobacco Control Board, is amended to read as follows:

14 (3) *Every salesperson of any tobacco product ~~in this state~~*
15 *who contacts a retailer in this state for the purpose of soliciting or taking*
16 *and processing orders for the sale of tobacco products, or who through*
17 *contact delivers or causes delivery of any tobacco product to a retailer in*
18 *this state, shall first secure a salesperson's license. Application shall be*
19 *made by the wholesaler or general tobacco products vendor who is the*
20 *salesperson's employer. A salesperson's license is not transferable to*
21 *another employer and must be surrendered to the Director of ~~the~~ Arkansas*
22 *Tobacco Control ~~Board~~ by the employer upon termination of the salesperson's*
23 *employment.*

24
25 SECTION 13. Arkansas Code § 26-57-215(b)(6)(A)(i), concerning
26 obtaining a license from the Director of the Arkansas Tobacco Control Board,
27 is amended to read as follows:

28 (6)(A)(i) Every general tobacco products vendor and every
29 restricted tobacco products vendor must obtain a proper license from the
30 Director of ~~the~~ Arkansas Tobacco Control ~~Board~~. However, municipal
31 corporations may license and tax the privilege of doing business as a general
32 tobacco products vendor or restricted tobacco products vendor in cities where
33 such vendors maintain an established place of business, provided that the
34 machine license tax imposed may not exceed fifty percent (50%) of the amounts
35 levied on such vendors' licenses under this subchapter.

36

1 SECTION 14. Arkansas Code §§ 26-57-221 through 26-57-223 are amended
2 to read as follows:

3 26-57-221. Permits and licenses – Not transferable.

4 No license or permit is transferable, and the location of any place of
5 business for which any license is issued may not be changed without
6 permission of the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~.

7

8 26-57-222. Permits and licenses – Duplicates.

9 When a permit or license is lost by a holder, a duplicate permit or
10 license may be issued upon application and for a fee of five dollars (\$5.00)
11 when sufficient proof has been given the Director of ~~the~~ Arkansas Tobacco
12 Control ~~Board~~.

13

14 26-57-223. Permits and licenses – Suspension or revocation.

15 (a) All permits and licenses issued under this subchapter may be
16 suspended or revoked by the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~
17 for any violation of this subchapter or the ~~regulations~~ rules pertaining to
18 this subchapter.

19 (b) The director may revoke for one (1) year all licenses or permits
20 to deal in tobacco products of any person who is convicted of violating this
21 subchapter or the regulations pertaining to this subchapter a second time.

22

23 SECTION 15. Arkansas Code § 26-57-227(b), concerning the seizure of
24 tobacco vending machines by the Director of the Arkansas Tobacco Control
25 Board, is amended to read as follows:

26 (b) Any tobacco product vending machine so operated may be seized and
27 sold by the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ at public auction
28 upon the order of the Pulaski County Circuit Court.

29

30 SECTION 16. Arkansas Code § 26-57-229(d), concerning the revocation of
31 permits by the Director of the Arkansas Tobacco Control Board, is amended to
32 read as follows:

33 (d) When a wholesaler refuses to keep the records required by or to
34 comply with the provisions of this section, the Director of ~~the~~ Arkansas
35 Tobacco Control ~~Board~~ shall revoke all permits that have been issued to the
36 wholesaler.

1
2 SECTION 17. Arkansas Code § 26-57-232(a)(1), concerning wholesale
3 permits issued by the Director of the Arkansas Tobacco Control Board, is
4 amended to read as follows:

5 (1) The wholesaler shall secure a permit from the Director
6 of ~~the~~ Arkansas Tobacco Control Board;

7
8 SECTION 18. Arkansas Code § 26-57-232(b), concerning violations of
9 certain provisions of the Arkansas Tobacco Products Act of 1977, is amended
10 to read as follows:

11 (b) Any wholesaler who fails or refuses to affix or cancel the stamps
12 or who fails or refuses to keep the records or who fails or refuses to
13 furnish the statements and information or make the reports as required by
14 this subchapter or as prescribed by the Director of the Department of Finance
15 and Administration and the Director of ~~the~~ Arkansas Tobacco Control Board, or
16 who violates any of the requirements of §§ 26-57-212, 26-57-229, and 26-57-
17 242 is guilty of a violation for the first offense and a Class C misdemeanor
18 for each additional offense.

19
20 SECTION 19. Arkansas Code § 26-57-233(1), concerning salespersons
21 permits obtained from the Director of the Arkansas Tobacco Control Board, is
22 amended to read as follows:

23 (1) The salesperson shall secure a permit from the Director of
24 ~~the~~ Arkansas Tobacco Control Board;

25
26 SECTION 20. Arkansas Code § 26-57-234(b), concerning the revocation of
27 retail permits by the Director of the Arkansas Tobacco Control Board, is
28 amended to read as follows:

29 (b) Upon a retailer's failure to comply with any part of this section,
30 the Director of ~~the~~ Arkansas Tobacco Control Board may revoke the retailer's
31 permit.

32
33 SECTION 21. Arkansas Code § 26-57-242(c), concerning the revocation of
34 wholesaler's permits by the Director of the Arkansas Tobacco Control Board,
35 is amended to read as follows:

36 (c) Upon violation of this section by a wholesaler, the Director of

1 ~~the~~ Arkansas Tobacco Control Board shall revoke the wholesaler's permit.

2
3 SECTION 22. Arkansas Code § 26-57-247(b), concerning the seizure of
4 tobacco products by the Director of the Arkansas Tobacco Control Board, is
5 amended to read as follows:

6 (b) The Director of ~~the~~ Arkansas Tobacco Control Board may seize and
7 hold for disposition of the courts all tobacco products found in the
8 possession of any person dealing in or a consumer of tobacco products which
9 have not been handled according to this subchapter.

10
11 SECTION 23. Arkansas Code § 26-57-248 is amended to read as follows:
12 26-57-248. Possession or sale of products with unpaid taxes –
13 Supplemental fines — ~~Liquidated damages.~~

14 (a) Any person who places in his or her stock or who has in his or her
15 possession or on his or her premises, or who sells or offers for sale, any
16 tobacco products on which the tax prescribed by law has not been paid in
17 addition to the other fines and forfeitures ~~shall~~ may be subject to a fine
18 of:

19 (1) Twenty-five dollars (\$25.00) for each package of cigarettes,
20 little cigars, and cigarillos up to twenty (20) packages and fifty dollars
21 (\$50.00) for each package in excess of twenty (20) packages, so held, sold,
22 or offered for sale; and

23 (2) Fifty dollars (\$50.00) for each box of cigars and twenty-
24 five dollars (\$25.00) for each unit of other tobacco products so held, sold,
25 or offered for sale.

26 (b) The penalty shall be held to be in the nature of ~~liquidated~~
27 ~~damages~~ a civil penalty and may be collected by civil action and may be
28 levied by the Arkansas Tobacco Control Board or any circuit court of this
29 state.

30
31 SECTION 24. Arkansas Code § 26-57-249 is amended to read as follows:
32 26-57-249. ~~Sale~~ Destruction of products upon conviction – Procedure.

33 (a) Upon conviction of any ~~defendant~~ person charged with ~~the~~ a
34 violation of this subchapter any tobacco law or rule which resulted in the
35 seizure of tobacco products, the court shall issue an order to destroy the
36 tobacco products confiscated by the Director of ~~the~~ Arkansas Tobacco Control

1 ~~Board~~ or by any state, county, or municipal officer in this state, ~~which were~~
2 ~~possessed or owned by the defendant and which have not been handled according~~
3 ~~to the provisions of this subchapter.~~

4 (b) Upon a finding of guilty of any person charged with a violation of
5 a state tobacco law or rule in a proceeding before the Arkansas Tobacco
6 Control Board that resulted in the seizure of tobacco products, the Arkansas
7 Tobacco Control Board shall issue an order to destroy the tobacco products
8 confiscated by the director or by any state, county, or municipal officer in
9 this state.

10 ~~(b)(c)~~ Every court of record in this state shall notify the director
11 of the disposition made of each case in the court as to whether the defendant
12 was convicted or acquitted.

13 (d) Upon application of the director, the Arkansas Tobacco Control
14 Board or the court issuing a destruction order may instead release the
15 tobacco products to the use and benefit of Arkansas Tobacco Control for
16 suitable law enforcement or training purposes.

17
18 SECTION 25. Arkansas Code § 26-57-251(a), concerning civil and
19 criminal actions brought in the name of the Director of the Arkansas Tobacco
20 Control Board, is amended to read as follows:

21 (a) All civil actions arising under this subchapter shall be brought
22 by and in the name of the Director of the Department of Finance and
23 Administration or the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~,
24 whichever is appropriate under the provisions of this subchapter.

25
26 SECTION 26. Arkansas Code § 26-57-255(d)(2), concerning votes by the
27 Arkansas Tobacco Control Board, is amended to read as follows:

28 (2) All action by the board shall be by a majority vote of the
29 full membership of the board, and the board may take no official action in
30 connection with any matter except at a regular or special meeting. In the
31 event of a tie vote of the members of the board, the Director of ~~the~~ Arkansas
32 Tobacco Control ~~Board~~ may cast the deciding vote.

33
34 SECTION 27. Arkansas Code § 26-57-256 is amended to read as follows:
35 26-57-256. Powers of the Arkansas Tobacco Control Board.

36 (a) The Arkansas Tobacco Control Board shall:

1 (1) Promulgate ~~regulations~~ rules for the proper enforcement and
2 implementation of this subchapter and the Unfair Cigarette Sales Act, § 4-75-
3 701 et seq., subject to the restrictions in § 26-57-212(d);

4 (2) Receive applications for and issue, refuse, suspend, and
5 revoke licenses and permits listed in § 26-57-219;

6 (3) Prescribe forms of applications for permits and licenses
7 under this subchapter;

8 (4)(A) Cooperate with the Revenue Division of the Department of
9 Finance and Administration in the enforcement of the tax laws affecting the
10 sale of tobacco products in this state and in the enforcement of all other
11 state and local tax laws.

12 (B) To facilitate efforts to cooperate with the division
13 concerning the enforcement of all other state and local tax laws, the board
14 shall immediately require that the following additional information be
15 provided by all applicants for permit issuance or renewal:

16 (i) Federal tax identification numbers issued by the
17 Internal Revenue Service;

18 (ii) Social Security numbers; and

19 (iii) State sales tax account numbers assigned by
20 the Department of Finance and Administration, if applicable.

21 (C)(i) Each year the board shall provide a list of all
22 applicants for the issuance or renewal of all tobacco permits and licenses to
23 the Director of the Department of Finance and Administration.

24 (ii) This list shall contain the identifying
25 information required by subdivision (a)(4)(B) of this section as well as the
26 name of the permittee and the permittee's current business address;

27 (5)(A) Conduct public hearings when appropriate regarding any
28 permit and license authorized by this subchapter or in violation of this
29 subchapter, the Unfair Cigarette Sales Act, § 4-75-701 et seq., § 5-27-227,
30 or any other federal, state, or local statute, ordinance, rule, or regulation
31 concerning the sale of tobacco products to minors or the rules ~~and~~
32 ~~regulations~~ promulgated by the board.

33 (B)(i) After a notice and hearing held in accordance with
34 the Arkansas Administrative Procedure Act, § 25-15-201 et seq., if the board
35 finds a violation of this subchapter, the Unfair Cigarette Sales Act, § 4-75-
36 701 et seq., or the rules ~~and regulations~~ promulgated by the board, the board

1 may suspend, revoke, or not renew any or all permits and licenses issued by
2 the board to any person or entity.

3 (ii) In addition, the board may levy a civil penalty
4 in an amount not to exceed ~~one thousand dollars (\$1,000)~~ five thousand
5 dollars (\$5,000) for each violation against any person or entity found to be
6 in violation.

7 (iii) Each day of the violation shall be deemed a
8 separate violation.

9 (C) In that regard, the board may examine or cause to be
10 examined under oath any witness and the books and records of any licensee,
11 person, or entity; and

12 (6) When requested by the written petition of at least three (3)
13 interested parties, conduct public hearings to receive testimony on the facts
14 relevant to the issuance of any license or permit under this subchapter.

15 (b) Unless the civil penalty assessed under this section is paid
16 within fifteen (15) days following the date for an appeal from the order, the
17 Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall have the power to
18 institute a civil action in the Pulaski County Circuit Court to recover the
19 civil penalties assessed pursuant to the provisions of this subchapter.

20 (c)(1) The board shall have no authority in criminal prosecutions or
21 the assessment or collection of any taxes ~~or penalties~~ related to the taxing
22 of tobacco products.

23 (2) However, the board shall refuse to issue, suspend, revoke,
24 or refuse renewal of any permit or license issued by the board for the
25 failure to pay taxes or fees imposed on tobacco products or any permit or
26 license fees imposed by this subchapter or any other state and local taxes.

27 (d) The board may assess penalties for a violation of § 5-27-227
28 according to the following schedule:

29 (1) If the alleged violator has received a notice of an
30 alleged violation from the board or other agency or official with the
31 authority to assess penalties containing the information specified in this
32 subchapter, a civil penalty not to exceed two hundred fifty dollars (\$250)
33 for a first violation within a forty-eight-month period;

34 (2) A civil penalty not to exceed five hundred dollars
35 (\$500) for a second violation within a forty-eight-month period and
36 suspension of the license or permit enumerated in § 26-57-219 for a period

1 not to exceed two (2) days;

2 (3) A civil penalty not to exceed one thousand dollars
3 (\$1,000) for a third violation within a forty-eight-month period and
4 suspension of the license or permit enumerated in § 26-57-219 for a period
5 not to exceed seven (7) days;

6 (4) A civil penalty not to exceed two thousand dollars
7 (\$2,000) for a fourth or subsequent violation within a forty-eight-month
8 period and suspension of the license or permit enumerated in § 26-57-219 for
9 a period not to exceed fourteen (14) days; and

10 (5) For a fifth or subsequent violation within a forty-
11 eight month period, in addition to any civil penalties authorized by this
12 section, the license or permit under § 26-57-219 may be revoked.

13 (e)(1) A notice of an alleged violation of § 5-27-227 shall be given
14 to the holder of a retail permit or license within ten (10) days of the
15 alleged violation.

16 (2) The notice shall contain the date and time of the
17 alleged violation.

18 (3)(A) The notice shall also include either the name of
19 the person making the alleged unlawful sale or information reasonably
20 necessary to determine the location in the store that where the alleged
21 unlawful sale was made.

22 (B) Information under subdivision (e)(3)(A) of this
23 section shall include when appropriate without limitation, the cash register
24 number, physical location of the sale in the store, and, if possible, the
25 lane or aisle number.

26 (f) The board shall consider the following factors when reviewing a
27 possible violation:

28 (1) The business has adopted and enforced a written policy
29 against selling cigarettes or tobacco products to persons less than eighteen
30 (18) years of age;

31 (2) The business has informed its employees of the
32 applicable laws regarding the sale of cigarettes and tobacco products to
33 persons less than eighteen (18) years of age;

34 (3) The business required employees to verify the age of
35 cigarette or tobacco product customers by way of photographic identification;

36 (4) The business has established and imposed disciplinary

1 sanctions for noncompliance; and

2 (5) The appearance of the purchaser of the tobacco in any
3 form or cigarette papers was such that an ordinary prudent person would
4 believe him or her to be of legal age to make the purchase.

5 (g)(1) A penalty under subsection (d) of this section for a violation
6 of § 5-27-227 shall not be imposed upon a retailer or agent or employee of a
7 retailer who can establish an affirmative defense that before the date of the
8 violation the retailer or agent or employee of the retailer furnishing the
9 tobacco in any form or cigarette papers reasonably relied upon proof of age
10 which identified the person receiving the tobacco in any form or cigarette
11 papers as being eighteen (18) years of age or older.

12 (2) As used in this section, "proof of age" means any document
13 issued by a governmental agency containing a description of the person or the
14 person's photograph, or both, and giving the person's date of birth and
15 includes without limitation a passport, military identification card, or
16 driver's license.

17 (h) Any cigarettes or tobacco products found in the possession of a
18 person less than eighteen (18) years of age may be confiscated.

19 (i) An employee of a permit holder who violates § 5-27-227 is subject
20 to a civil penalty not to exceed one hundred dollars (\$100) per violation.

21 (j)(1) For a corporation or business with more than one (1) retail
22 location, to determine the number of accumulated violations for purposes of
23 the penalty schedule set forth in subsection (d) of this section, violations
24 of § 5-27-227 by one (1) retail location shall not be accumulated against
25 other retail locations of that same corporation or business.

26 (2) For a retail location, for purposes of the penalty
27 schedule set forth in subsection (d) of this section, violations accumulated
28 and assessed against a prior owner of the retail location shall not be
29 accumulated against a new owner of the same retail location.

30 (k) All penalties collected under this section shall be deposited into
31 the State Treasury.

32
33 SECTION 28. Arkansas Code § 26-57-257 is amended to read as follows:

34 26-57-257. Director of Arkansas Tobacco Control ~~Board~~.

35 (a)(1) The Governor shall employ a person to serve as Director of ~~the~~
36 Arkansas Tobacco Control ~~Board~~.

1 (2) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall
2 serve at the pleasure of the Governor.

3 (b) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall present
4 all evidence tending to prove violations of law or regulations at hearings
5 held by the Arkansas Tobacco Control Board.

6 (c) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ may employ such
7 other personnel as he or she deems necessary, subject to the approval of the
8 board and as authorized by the General Assembly.

9 (d) Any personnel employed by the Director of ~~the~~ Arkansas Tobacco
10 Control ~~Board~~ shall serve at his or her pleasure.

11 (e)(1) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ and the
12 board each may adopt, keep, and use a common seal.

13 (2) This seal shall be used for authentication of the records,
14 process, and proceedings of the Director of ~~the~~ Arkansas Tobacco Control
15 ~~Board~~ and the board, respectively.

16 (3) Judicial notice shall be taken of each use of this seal in
17 all of the courts of the state.

18 (f) Any process, notice, or other paper which the Director of ~~the~~
19 Arkansas Tobacco Control ~~Board~~ may be authorized by law to issue shall be
20 deemed sufficient if signed by the Director of ~~the~~ Arkansas Tobacco Control
21 ~~Board~~ and authenticated by the seal of the Director of ~~the~~ Arkansas Tobacco
22 Control ~~Board~~.

23 (g) Any process, notice, or other paper which the board may be
24 authorized by law to issue shall be deemed sufficient if signed by the chair
25 of the Arkansas Tobacco Control Board and authenticated by the seal of the
26 board.

27 (h) All acts, orders, proceedings, rules, regulations, entries,
28 minutes, and other records of the Director of ~~the~~ Arkansas Tobacco Control
29 ~~Board~~ and all reports and documents filed with the Director of ~~the~~ Arkansas
30 Tobacco Control ~~Board~~ may be proved in any court of this state by a copy
31 thereof certified to by the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~
32 with the seal of the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ attached.

33 (i) All acts, orders, proceedings, rules, ~~regulations~~, entries,
34 minutes, and other records of the board and all reports and documents filed
35 with the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ may be proved in any
36 court of this state by a copy thereof certified to by the chair of the board

1 with the seal of the board attached.

2 (j)(1) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall
3 maintain records of all permits and licenses issued, suspended, denied, or
4 revoked by the board.

5 (2) The records shall be in such form as to provide ready
6 information as to the identity of the licensees, including the names of major
7 stockholders and directors of corporations holding licenses or permits and
8 the location of the licensed or permitted premises.

9 (k) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall recognize
10 the Office of Alcohol and Drug Abuse Prevention as the agency responsible for
11 ensuring full compliance with the Public Health Service Act, § 1926(b), 42
12 U.S.C. § 300x-26(b), and shall call upon administrative departments of the
13 state, county, and city governments, sheriffs, city police departments, or
14 other law enforcement officers for such information and assistance as the
15 Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ may deem necessary in the
16 performance of the duties imposed upon him or her by this subchapter.

17 (l) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ may inspect or
18 cause to be inspected any premises where tobacco products are distributed,
19 stored, or sold.

20 (m) ~~In the conduct of any hearings, the~~ The Director of ~~the~~ Arkansas
21 Tobacco Control ~~Board~~ may:

22 (1) Examine or cause to be examined any person under oath and
23 examine or cause to be examined books and records of any licensee;

24 (2) Hear testimony and take proof material to his or her
25 information and the discharge of his or her duties under this section;

26 (3) Administer oaths or cause oaths to be administered; and

27 (4)(A) Issue subpoenas to require the attendance of witnesses
28 and the production of books and records.

29 (B) Any circuit court by written order may require the
30 attendance of witnesses or the production of relevant books or other records
31 subpoenaed by the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~, and the
32 court may compel obedience to its order by proceedings for contempt.

33 (n) All hearings and appeals from any hearing shall be conducted in
34 accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et
35 seq.

36 (o) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall exercise

1 other powers, functions, and duties as are or may be imposed or conferred
2 upon him or her by law or the board.

3 (p) The Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ shall have
4 other powers, functions, and duties pertaining to the issuance, suspension,
5 and revocation of the permits and licenses enumerated in § 26-57-219 which
6 previously were granted to the Director of the Department of Finance and
7 Administration, except the authority to regulate manufacturers, and which are
8 specifically delegated to the Department of Finance and Administration by
9 this subchapter.

10 (q)(1)(A) The power and duty to collect taxes imposed on tobacco and
11 tobacco products is specifically exempted from the powers and duties granted
12 or assigned to the board or the department.

13 (B) However, a permit or license holder's failure to pay
14 taxes or fees imposed on tobacco products or any permit or license fees
15 imposed by this subchapter in a timely manner is grounds for the nonissuance,
16 suspension, revocation, or nonrenewal of any permits or licenses issued by
17 the board.

18 (C) Failure to timely and fully pay any other state and
19 local taxes as reported by the Director of the Department of Finance and
20 Administration shall also constitute grounds for the nonissuance, suspension,
21 revocation, or nonrenewal of any permits or licenses issued by the board.

22 (2)(A) Each year the Director of the Department of Finance and
23 Administration shall report to the ~~board~~ Director of Arkansas Tobacco Control
24 ~~any and~~ all permit and license holders who are more than ninety (90) days
25 delinquent on any state and local taxes.

26 (B) The ~~board~~ Director of Arkansas Tobacco Control shall
27 not issue or renew any permit or license issued under this section for any
28 permit or license holder more than ninety (90) days delinquent on any
29 privilege fee or tax addressed in this section unless the permittee or
30 licensee demonstrates that he or she is current under a valid repayment
31 agreement for the delinquent tax.

32 (3)(A) Each year the ~~board~~ Director of Arkansas Tobacco Control
33 shall send notices to all permit and license holders more than ninety (90)
34 days delinquent on any state and local taxes.

35 (B) This notice shall inform the permit or license holder
36 that he or she is delinquent on payment of state and local taxes due the

1 Director of the Department of Finance and Administration and that the permit
2 or license holder will be unable to obtain or renew the permit or license
3 that he or she holds until such time as the person becomes current in the
4 payment of the tax due the Director of the Department of Finance and
5 Administration, or until such time as the person enters into a valid
6 repayment agreement with the department for the payment of the delinquent
7 tax.

8 ~~(r) The board may assess penalties for violation of § 5-27-227(a)~~
9 ~~according to the following schedule:~~

10 ~~(1) If the alleged violator has received a notice of an alleged~~
11 ~~violation from the board or other agency or official with the authority to~~
12 ~~assess penalties containing the information specified in this subchapter, a~~
13 ~~civil penalty not to exceed two hundred fifty dollars (\$250) for a first~~
14 ~~violation within a forty-eight month period;~~

15 ~~(2) A civil penalty not to exceed five hundred dollars (\$500)~~
16 ~~for a second violation within a forty-eight month period and suspension of~~
17 ~~the license or permit enumerated in § 26-57-219 for a period not to exceed~~
18 ~~two (2) days;~~

19 ~~(3) A civil penalty not to exceed one thousand dollars (\$1,000)~~
20 ~~for a third violation within a forty-eight month period and suspension of the~~
21 ~~license or permit enumerated in § 26-57-219 for a period not to exceed seven~~
22 ~~(7) days;~~

23 ~~(4) A civil penalty not to exceed two thousand dollars (\$2,000)~~
24 ~~for a fourth or subsequent violation within a forty-eight month period and~~
25 ~~suspension of the license or permit enumerated in § 26-57-219 for a period~~
26 ~~not to exceed fourteen (14) days; and~~

27 ~~(5) For a fifth violation within a forty-eight month period, the~~
28 ~~license or permit enumerated in § 26-57-219 may be revoked.~~

29 ~~(s)(1) A notice of an alleged violation of § 5-27-227 shall be given~~
30 ~~to the holder of a retail permit or license within ten (10) days of the~~
31 ~~alleged violation.~~

32 ~~(2) The notice must contain the date and time of the alleged~~
33 ~~violation.~~

34 ~~(3)(A) It shall also include either the name of the person~~
35 ~~making such alleged sale or information reasonably necessary to determine the~~
36 ~~location in the store that allegedly made such sale.~~

1 ~~(B)—Such information should include when appropriate but~~
2 ~~not be limited to, the cash register number, physical location of the sale in~~
3 ~~the store, and, if possible, the lane or aisle number.~~

4 ~~(t)—Notwithstanding the provisions of subsection (r) of this section,~~
5 ~~the board shall consider the following factors when reviewing a possible~~
6 ~~violation:~~

7 ~~(1)—The business has adopted and enforced a written policy~~
8 ~~against selling cigarettes or tobacco products to persons less than eighteen~~
9 ~~(18) years of age;~~

10 ~~(2)—The business has informed its employees of the applicable~~
11 ~~laws regarding the sale of cigarettes and tobacco products to persons less~~
12 ~~than eighteen (18) years of age;~~

13 ~~(3)—The business required employees to verify the age of~~
14 ~~cigarette or tobacco product customers by way of photographic identification;~~

15 ~~(4)—The business has established and imposed disciplinary~~
16 ~~sanctions for noncompliance; and~~

17 ~~(5)—The appearance of the purchaser of the tobacco in any form~~
18 ~~or cigarette papers was such that an ordinary prudent person would believe~~
19 ~~him or her to be of legal age to make the purchase.~~

20 ~~(u)—Notwithstanding the provisions of subsection (r) of this section,~~
21 ~~no penalty for a violation of § 5-27-227 shall be imposed upon a retailer or~~
22 ~~agent or employee of such retailer who can establish an affirmative defense~~
23 ~~that prior to the date of the violation the retailer or agent or employee of~~
24 ~~the retailer furnishing the tobacco in any form or cigarette papers~~
25 ~~reasonably relied upon proof of age which identified the person receiving the~~
26 ~~tobacco in any form or cigarette papers as being eighteen (18) years of age~~
27 ~~or older.~~

28 ~~(v)—“Proof of age” means any document issued by a governmental agency~~
29 ~~containing a description of the person, the person’s photograph, or both, and~~
30 ~~giving the person’s date of birth and includes, without being limited to, a~~
31 ~~passport, military identification card, or driver’s license.~~

32 ~~(w)—Any cigarettes or tobacco products found in the possession of a~~
33 ~~person less than eighteen (18) years of age may be confiscated.~~

34 ~~(x)—An employee of a permit holder who violates § 5-27-227 shall be~~
35 ~~subject to a civil penalty not to exceed one hundred dollars (\$100) per~~
36 ~~violation.~~

1 ~~(y)(1) In the case of a corporation or business with more than one (1)~~
2 ~~retail location, to determine the number of accumulated violations for~~
3 ~~purposes of the penalty schedule set forth in subsection (r) of this section,~~
4 ~~violations of § 5-27-227(a) by one (1) retail location shall not be~~
5 ~~accumulated against other retail locations of that same corporation or~~
6 ~~business.~~

7 ~~(2) In the case of a retail location, for purposes of the~~
8 ~~penalty schedule set forth in subsection (r) of this section, violations~~
9 ~~accumulated and assessed against a prior owner of the retail location shall~~
10 ~~not be accumulated against a new owner of the same retail location.~~

11 ~~(z) If a penalty has been assessed pursuant to this section against~~
12 ~~any person, business, or corporation for a single specific violation of § 5-~~
13 ~~27-227(a) or § 5-27-227(b), the person, business, or corporation shall not be~~
14 ~~prosecuted under § 5-27-227(a) or § 5-27-227(b) for a violation based on the~~
15 ~~same facts or specific incident for which the penalty was assessed under this~~
16 ~~section.~~

17 ~~(aa) If any person, business, or corporation has been prosecuted for a~~
18 ~~single specific violation of § 5-27-227(a) or § 5-27-227(b), the person,~~
19 ~~business, or corporation shall not be assessed a civil penalty under this~~
20 ~~section based on the same facts or specific incident upon which the~~
21 ~~prosecution under § 5-27-227(a) or § 5-27-227(b) was based.~~

22 ~~(bb)~~(r) The enforcement of state laws relating to the prohibition of
23 the barter or sale of tobacco in any form or cigarette papers to minors by
24 multiple state agencies shall be coordinated to avoid duplicative inspections
25 of the same retailer by multiple state agencies.

26 ~~(cc) All penalties collected pursuant to the authority of this section~~
27 ~~shall be deposited into the State Treasury.~~

28
29 SECTION 29. Arkansas Code § 26-57-262(c)(3) and (4), concerning the
30 powers of the Arkansas Tobacco Control Board, are amended to read as follows:

31 (3) The Arkansas Tobacco Control Board ~~shall~~ may revoke a
32 wholesale or retail license of any person who sells or holds for sale
33 cigarette packages to which is affixed a tax stamp in violation of this
34 section.

35 (4) The Department of Finance and Administration or ~~the~~
36 ~~board~~ Arkansas Tobacco Control may seize and destroy or sell to the

1 manufacturer only for export packages that do not comply with this section.

2
3 SECTION 30. Arkansas Code § 26-57-804(b)(3)(C), concerning revocations
4 of certain permits or licenses by the Director of the Arkansas Tobacco
5 Control Board, is amended to read as follows:

6 (C) A violation of this subdivision (b)(3) shall be
7 grounds for the suspension or revocation of a permit or license issued by the
8 Director of ~~the~~ Arkansas Tobacco Control ~~Board~~.

9
10 SECTION 31. Arkansas Code § 26-57-1302(c), concerning the definition
11 of director as applied to enforcement enhancements, is amended to read as
12 follows:

13 (c) "Director" means the Director of ~~the~~ Arkansas Tobacco Control
14 ~~Board~~.

15
16 SECTION 32. Arkansas Code § 26-57-1303(c), concerning prohibitions
17 against the stamping, sale or import of cigarettes not listed in the
18 directory of tobacco product manufacturers or brand families, is amended to
19 read as follows:

20 (c) Prohibition Against Stamping, Sale, or Import of Cigarettes Not in
21 Directory.

22 (1) It is unlawful for any person or entity to:

23 (A) Affix a tax stamp to a package or other container of
24 cigarettes of a tobacco product manufacturer or brand family that the person
25 or entity knows is not included in the directory maintained by the Attorney
26 General pursuant to subsection (b) of this section; or

27 (B) Sell, offer, or possess ~~for sale~~ in this state, or
28 import for personal consumption in this state, cigarettes of a tobacco
29 product manufacturer or brand family that the person or entity knows is not
30 included in the directory maintained by the Attorney General pursuant to
31 subsection (b) of this section.

32 (2) Persons and entities are deemed to have received notice that
33 cigarettes of a tobacco product manufacturer or a brand family are not
34 included in the directory maintained by the Attorney General pursuant to
35 subsection (b) of this section at the time the Attorney General's website
36 fails to list any such cigarettes in the directory or at the time the

1 Attorney General removes the cigarettes from the directory.

2 (3) A person or entity purchasing cigarettes for resale shall
3 not be in violation of this subchapter if:

4 (A) At the time of purchase the manufacturer and brand
5 families of the cigarettes are included in the directory maintained by the
6 Attorney General pursuant to subsection (b) of this section and the
7 cigarettes are lawfully stamped and sold within twenty-one (21) days of the
8 date the manufacturer and brand families were removed from the directory; or

9 (B)(i) In the case of a retailer, the cigarettes are sold
10 or delivered to retail customers within twenty-one (21) days after receipt of
11 delivery of such cigarettes from a wholesaler so long as the cigarettes in
12 question were lawfully purchased from the same wholesaler and the twenty-one-
13 day period has not expired.

14 (ii) Possession of cigarettes after the twenty-one-
15 day day period in subdivision (c)(3)(B)(i) of this section has expired is a
16 violation of subdivision (c)(1) of this section.

17 (4) No brand families may be purchased by or delivered to a
18 wholesaler once the manufacturer and brand families are removed from the
19 directory.

20 (5) Any manufacturer, wholesaler, or retailer selling cigarettes
21 for resale of a manufacturer or brand family that has been removed from the
22 directory maintained by the Attorney General pursuant to subsection (b) of
23 this section shall notify the purchaser of such cigarettes of that fact at
24 the time of delivery of the cigarettes.

25 (6)(A) Unless otherwise provided by contract or purchase
26 agreement, a purchaser shall be entitled to a refund of the purchase price
27 from the manufacturer, wholesaler, or retailer from whom the cigarettes were
28 purchased of any cigarettes that are the product of a manufacturer or a brand
29 family that has been removed from the directory maintained by the Attorney
30 General pursuant to subsection (b) of this section.

31 (B) The Department of Finance and Administration may by
32 ~~regulation~~ rule provide for a refund of the price of tax stamps that have
33 been lawfully affixed to cigarettes that may not be sold under this
34 subsection.

35

36 SECTION 33. Arkansas Code § 26-57-1306(a)(1), concerning the

1 revocation of licenses and permits by the Director of the Arkansas Tobacco
2 Control Board, is amended to read as follows:

3 (1) In addition to or in lieu of any other civil or criminal
4 remedy provided by law, upon a determination that a licensee or permittee has
5 violated § 26-57-1303(c) or any ~~regulation~~ rule adopted under this
6 subchapter, the Director of ~~the~~ Arkansas Tobacco Control ~~Board~~ may revoke or
7 suspend the licensee's licenses or permits pursuant to law and the Arkansas
8 Tobacco Control Board's rules ~~and regulations~~ governing the procedure for
9 revocation or suspension of the licenses or permits.

10
11 SECTION 34. Arkansas Code § 26-57-1307(b), concerning the renewal of
12 permits or licenses by the Director of the Arkansas Tobacco Control Board, is
13 amended to read as follows:

14 (b) Applicants for Licenses. No person or entity shall be issued a
15 license or permit or granted a renewal of a license or permit by the Director
16 of ~~the~~ Arkansas Tobacco Control ~~Board~~ unless the person or entity has
17 certified in writing under penalty of perjury that the person or entity will
18 comply fully with this subchapter.

19
20 /s/ Betts
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