

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

HOUSE BILL 1606

5 By: Representative J. Moore  
6 By: Senator Flippo  
7

## For An Act To Be Entitled

9 AN ACT REGARDING THE SUSPENSION OF PERMITS FOR A  
10 RETAILER'S FAILURE TO PAY A WHOLESALER OR  
11 MANUFACTURER FOR TOBACCO PRODUCTS, VAPOR PRODUCTS,  
12 ALTERNATIVE NICOTINE PRODUCTS, OR E-LIQUIDS; AND FOR  
13 OTHER PURPOSES.  
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## Subtitle

16 REGARDING THE SUSPENSION OF PERMITS FOR A  
17 RETAILER'S FAILURE TO PAY A WHOLESALER OR  
18 MANUFACTURER FOR TOBACCO PRODUCTS, VAPOR  
19 PRODUCTS, ALTERNATIVE NICOTINE PRODUCTS,  
20 OR E-LIQUIDS.  
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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 Title 26, Chapter 57, Subchapter 2, is  
27 amended to add an additional section to read as follows:

28 26-57-268. Retailer's failure to pay – Reporting, prevention, and  
29 penalty.

30 (a) A permitted manufacturer or wholesaler shall sell or deliver any  
31 tobacco products, vapor products, alternative nicotine products, or e-liquids  
32 to a permitted retailer in this state only in exchange for cash or on  
33 established payment terms.

34 (b)(1)(A) If a retailer's payment under subsection (a) of this section  
35 is past due or is returned for insufficient funds, the permitted manufacturer  
36 or wholesaler shall, within five (5) business days of the payment being past



1 due or returned for insufficient funds, notify Arkansas Tobacco Control of  
2 the retailer's failure to timely pay.

3 (B) Upon receipt of notice under subdivision (b)(1) of  
4 this section, Arkansas Tobacco Control shall promptly notify other  
5 wholesalers and manufacturers permitted under this subchapter that the  
6 retailer:

7 (i) Has failed to promptly remit payment for tobacco  
8 products, vapor products, alternative nicotine products, or e-liquids; and

9 (ii) Is therefore prohibited from continuing to  
10 purchase tobacco products, vapor products, alternative nicotine products, or  
11 e-liquids.

12 (2)(A) If the retailer satisfies a debt with the permitted  
13 manufacturer or wholesaler, the permitted manufacturer or wholesaler shall  
14 promptly notify Arkansas Tobacco Control that the debt has been paid.

15 (B) If Arkansas Tobacco Control receives notice that the  
16 retailer has paid the debt, Arkansas Tobacco Control shall promptly notify  
17 all permitted wholesalers and manufacturers that they may resume sales to the  
18 permitted retailer.

19 (3)(A) If the retailer fails to pay the debt in full within  
20 thirty (30) days from the date the debt became due, the Director of Arkansas  
21 Tobacco Control may suspend the retailer's permit until the debt has been  
22 paid.

23 (B) If a new owner acquires the permitted retail location  
24 and the debt has not been paid before the change in ownership, the new owner  
25 is responsible for the debt.

26 (c)(1) If a retailer fails to pay under subsection (a) of this  
27 section, Arkansas Tobacco Control may:

28 (A) Suspend the retailer's permit:

29 (i) For up to seven (7) days for the first offense;  
30 and

31 (ii) For between ten (10) days and thirty (30) days  
32 for each subsequent offense that occurs within a period of forty-eight (48)  
33 months from the date of the most recent violation; and

34 (B) Require the retailer to pay cash for all future  
35 purchases of tobacco products from permitted wholesales and manufacturers.

36 (2) A retailer's failure to pay the debt within the suspension

1 period under subdivision (c)(1)(A) is a subsequent offense.

2 (d) The Director of Arkansas Tobacco Control and the Arkansas Tobacco  
3 Control Board may adopt rules necessary to implement this section.

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6 **APPROVED: 4/13/23**  
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