

Department of Finance and Administration

Legislative Impact Statement

Bill: SB628

Bill Subtitle: TO PERMIT ARKANSAS-BASED CIGAR SHOPS TO SELL CIGARS AT RETAIL ONLINE.

Basic Change :

Sponsor: Sen. Hester

SB628 amends the Arkansas Tobacco Products Act of 1977 to allow retailers with a physical presence in the state, who purchase cigars from permitted wholesalers, to sell cigars online to buyers both inside and outside of the state.

Current law defines a “retailer” as a person that purchases tobacco products, vapor products, alternative nicotine products, and e-liquid products from permitted wholesalers for the purpose of selling the products in person and over the counter at retail to consumers. SB628 does not alter the definition of retailer except as to the sale of cigars. Under SB628, a retailer in the state would not be required to sell cigars in person and over the counter but would be permitted to sell cigars online to consumers.

Revenue Impact :

Undetermined.

Taxpayer Impact :

An Arkansas-based retailer will be allowed to sell cigars at retail online.

Resources Required :

None.

Time Required :

Adequate time is allowed for implementation.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

SB628 may benefit from an amendment to provide safeguards against the sale of cigars online to minors. It is unlawful under the criminal code for any person to sell tobacco to a minor. § 5-27-227.

SB628 appears to contain a drafting error. Lines 30-32 of SB628 state that the definition of a “retailer”

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means that the retailer “[h]as a physical presence in Arkansas and that purchases cigars from permitted wholesalers for the purpose the online retail sale of the cigars to buyers inside and outside the state.” It appears this sentence is intended to read, “[h]as a physical presence in Arkansas and that purchases cigars from permitted wholesalers for the purpose **of** the online retail sale of the cigars to buyers inside and outside the state.”