

Exhibit E

Act 934

Act 934

1. Act 934: On page 21, line 23, there is an apparent manifest reference error to “§ 26-57-256”. The language in subsection (h) references penalties under § 26-57-256. However, § 26-57-256 does not contain penalties. Penalties are found in § 26-57-255. The penalties that were formerly in § 26-57-256 were moved to § 26-57-255 by Acts 2019, No. 1071, §§ 24 – 25. It appears “§ 26-57-256” should be “§ 26-57-255”.

Stricken language would be deleted from and underlined language would be added to present law.
Act 934 of the Regular Session

State of Arkansas *As Engrossed: S4/2/25 H4/8/25*

95th General Assembly

A Bill

Regular Session, 2025

SENATE BILL 533

By: Senator Dees

By: Representative Gazaway

For An Act To Be Entitled

AN ACT TO PROVIDE FOR THE REGULATION OF CONSUMABLE
HEMP PRODUCTS BY THE ARKANSAS TOBACCO CONTROL BOARD;
TO AMEND THE ARKANSAS LAW TO ALLOW THE REGULATION AND
PURCHASE OF CONSUMABLE HEMP PRODUCTS; TO ESTABLISH A
DIRECTORY FOR CONSUMABLE HEMP MANUFACTURERS; AND FOR
OTHER PURPOSES.

Subtitle

TO PROVIDE FOR THE REGULATION OF
CONSUMABLE HEMP PRODUCTS BY THE ARKANSAS
TOBACCO CONTROL BOARD; AND TO AMEND THE
ARKANSAS LAW TO ALLOW REGULATION AND
PURCHASE OF CONSUMABLE HEMP PRODUCTS.

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

SECTION 1. Arkansas Code § 2-15-503(5), concerning the definition of
"industrial hemp" within the Arkansas Industrial Hemp Production Act, is
amended to read as follows:

(5) "Industrial hemp" means the plant *Cannabis sativa* and any part of
the plant, including the seeds of the plant and all derivatives, extracts,
cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or
not, with ~~a total~~ the lesser of a delta-9 tetrahydrocannabinol concentration
of no more than three-tenths of one percent (0.3%) ~~of the hemp-derived~~
~~cannabinoid~~ on a dry weight basis, ~~unless specifically controlled under the~~
~~Uniform Controlled Substances Act, § 5-64-101 et seq.~~ for hemp or as
otherwise defined by 7 U.S.C. § 1639o, as existing on January 1, 2025;



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SB533

1 sign indicating that the sale of consumable hemp products to or purchase or
2 possession of consumable hemp products by a minor is prohibited by law.

3 (f) It is unlawful for any manufacturer whose consumable hemp product
4 is distributed in this state and any person who has been issued a permit or
5 license under this subchapter to distribute a free sample of any consumable
6 hemp product or any component of a consumable hemp product or coupon that
7 entitles the holder of the coupon to any free sample of any consumable hemp
8 product or any component of a consumable hemp product:

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

13 (2) To any minor.

14 (g) It is unlawful for any person that has been issued a permit or
15 license under this subchapter to:

16 (1) Sell or distribute a consumable hemp product through a self-
17 service display, a vending machine, or an order executed solely over the
18 internet or similar means; or

19 (2) Advertise or promote consumable hemp in a manner that is
20 intended to appeal to minors.

21 (h) Any retail permit holder or license holder who violates any
22 provision in this section is deemed guilty of a violation and subject to
23 penalties under § 26-57-256.

24 (i)(1) A notice of an alleged violation of this section shall be given
25 to the holder of a retail permit or license or an agent of the holder within
26 ten (10) days of the alleged violation.

27 (2) The notice under subdivision (i)(1) of this section shall:

28 (A) Contain the date and time of the alleged violation;
29 and

30 (B)(i) Include either the name of the person making the
31 alleged sale or information reasonably necessary to determine the location in
32 the store that allegedly made the sale.

33 (ii) When appropriate, information under subdivision
34 (i)(2)(B)(i) of this section shall include without limitation:

35 (a) The cash register number of the sale in
36 the store;

26-57-255. Arkansas Tobacco Control Board — Creation — Definition.

(g) The board shall:

(1) Act as the adjudicatory body for Arkansas Tobacco Control;

(2) Have responsibility for approving the issuance, suspension, and revocation of the permits enumerated in § 26-57-219;

(3)(A) Conduct public hearings when appropriate regarding a permit authorized under this subchapter or in violation of this subchapter, the Unfair Cigarette Sales Act, § 4-75-701 et seq., § 5-27-227, or any other federal, state, or local statute, ordinance, rule, or regulation concerning the sale of tobacco products, vapor products, alternative nicotine products, or e-liquid products to minors or the rules promulgated by Arkansas Tobacco Control.

(B) After notice and hearing held in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq., if the board finds a violation of this subchapter, the Unfair Cigarette Sales Act, § 4-75-701 et seq., or the rules promulgated by Arkansas Tobacco Control, the board may suspend or revoke any or all permits issued by the director to any person.

(C) The board may levy a civil penalty in an amount not to exceed five thousand dollars (\$5,000) for each violation against a person found to be in violation of this subchapter, the Unfair Cigarette Sales Act, § 4-75-701 et seq., or the rules promulgated by Arkansas Tobacco Control.

(D) Each day of a violation is a separate violation.

(E) A civil penalty under subdivision (g)(3)(C) of this section is in addition to any penalties levied by the board under § 26-57-248.

(F) In conducting a hearing under this subdivision (g)(3), the board may examine or cause to be examined under oath any witness and the books and records of a permitted person or other person;

(4) When requested by the written petition of at least three (3) interested parties, conduct public hearings to receive testimony regarding the facts relevant to the issuance of a permit under this subchapter; and

(5)(A) Not have authority in criminal prosecutions or the assessment or collection of any taxes.

(B) However, the board shall refuse to approve the issuance or renewal of a permit issued by the director for the failure to pay taxes or fees imposed on tobacco products or any permit fees imposed under this subchapter or any other state or local taxes.

(h)(1) The board may assess penalties for a violation of § 5-27-227 according to the following schedule:

(A) For a first violation within a forty-eight-month period, a civil penalty not to exceed two hundred fifty dollars (\$250);

(B) For a second violation within a forty-eight-month period, a civil penalty not to exceed five hundred dollars (\$500) and suspension of the permit enumerated in § 26-57-219 for a period not to exceed two (2) days;

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

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

(E) For a fifth or subsequent violation within a forty-eight-month period, in addition to the other penalties provided under this subsection, the permit enumerated in § 26-57-219 may be revoked.

(2)(A) A penalty under this subsection shall not be imposed on a retailer or an agent or employee of a retailer who can establish an affirmative defense that before the date of the violation the retailer or agent or employee of the retailer furnishing the tobacco products, vapor products, alternative nicotine products, e-liquid products, or cigarette papers reasonably relied on proof of age that identified the person receiving the tobacco products, vapor products, alternative nicotine products, e-liquid products, or cigarette papers as not being a minor.

(B) As used in this subsection, “proof of age” means valid documentation issued by a governmental agency containing the person's photograph, date of birth, and an expiration date.

(3)(A) For a corporation or business with more than one (1) retail location, to determine the number of accumulated violations for purposes of the penalty schedule stated in this subsection, violations of § 5-27-227 by one (1) retail location shall not be accumulated against other retail locations of that same corporation or business.

(B) For a retail location, for purposes of the penalty schedule stated in this subsection, violations accumulated and assessed against a prior owner of the retail location shall not be accumulated against a new owner of the same retail location unless approved by the board.

26-57-256. Arkansas Tobacco Control — Powers.

(a) Arkansas Tobacco Control shall:

(1) Promulgate rules for the proper enforcement and implementation of this subchapter and the Unfair Cigarette Sales Act, § 4-75-701 et seq.;

(2)(A) Receive applications for and issue, refuse, suspend, and revoke permits listed in § 26-57-219.

(B) Arkansas Tobacco Control shall refuse to issue or renew any permits issued by the Director of Arkansas Tobacco Control for the failure to pay taxes or fees imposed on tobacco products, permit fees imposed under this subchapter, or any other state or local taxes;

(3) Prescribe forms of applications for permits under this subchapter;

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

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

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

(ii) Social Security numbers; and

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

(C)(i) Each year Arkansas Tobacco Control shall provide a list of all applicants for the issuance or renewal of all tobacco products, vapor product, alternative nicotine product, or e-liquid product permits to the Secretary of the Department of Finance and Administration.

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

(5)(A) Collect civil penalties assessed by the Arkansas Tobacco Control Board under § 26-57-255.

(B) Unless the civil penalty is paid within fifteen (15) days following the date for an appeal from the order, the director shall have the power to institute a civil action in the Pulaski County Circuit Court to recover the civil penalties assessed; and

(6)(A) Provide notice to the retail location of an alleged violation of § 5-27-227 within ten (10) days of the alleged violation.

(B) The notice required under subdivision (a)(6)(A) of this section shall contain the date and time of the alleged violation.

(b) Any tobacco products, vapor products, alternative nicotine products, e-liquid products, or cigarette papers found in the possession of a minor may be confiscated and destroyed.

(c) Except as otherwise provided by law, the penalties collected under this section shall be deposited into the State Treasury.