

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

As Engrossed: S3/1/21

A Bill

SENATE BILL 338

5 By: Senator L. Eads
6 By: Representative M. Gray
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For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS TOBACCO PRODUCTS TAX ACT
10 OF 1977; TO PROVIDE A GRACE PERIOD FOR CERTAIN
11 CIRCUMSTANCES AT A PERMITTED BUSINESS LOCATION; TO
12 ALLOW THIRTY (30) DAYS TO OPERATE UNDER A PRIOR
13 PERMIT WHEN A CIRCUMSTANCE OCCURS THAT VOIDS THE
14 PRIOR PERMIT; AND FOR OTHER PURPOSES.
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Subtitle

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18 TO AMEND THE ARKANSAS TOBACCO PRODUCTS
19 TAX ACT OF 1977; AND TO PROVIDE A GRACE
20 PERIOD FOR CERTAIN CIRCUMSTANCES AT A
21 PERMITTED BUSINESS LOCATION.
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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 § 26-57-214(a), concerning the registration
27 and permitting required before doing business under the Arkansas Tobacco
28 Products Tax Act of 1977, is amended to read as follows:

29 (a)(1) A Except as stated in subdivision (a)(2) of this section, a
30 person shall not deal with, deliver or cause to be delivered to a retailer or
31 consumer, or otherwise do business in tobacco products, vapor products,
32 alternative nicotine products, or e-liquid products in this state without
33 first registering with the Director of Arkansas Tobacco Control and obtaining
34 a permit for that purpose.

35 (2) A person purchasing an existing permitted retail location
36 may, with the permission of the seller and the Division of Tobacco Control,



1 operate under the selling owner's permit for no more than thirty (30) days
 2 from the date of the sale.

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 4 SECTION 2. Arkansas Code § 26-57-215(a), concerning the types of
 5 permits under the Arkansas Tobacco Products Tax Act of 1977, is amended to
 6 read as follows:

7 (a)(1) Each person listed in this section, before commencing business,
 8 or if already in business, before continuing, shall pay an annual privilege
 9 fee and secure a permit from the Director of Arkansas Tobacco Control.

10 (2) A person purchasing an existing permitted retail location
 11 may, with the permission of the seller and the Division of Tobacco Control,
 12 operate under the selling owner's permit for no more than thirty (30) days
 13 from the date of the sale.

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 15 SECTION 3. Arkansas Code § 26-57-215(d), concerning the types of
 16 permits under the Arkansas Tobacco Products Tax Act of 1977, is amended to
 17 read as follows:

18 (d)(1) When an entity transfers a business permitted under this
 19 subchapter, the entity to which the business is transferred:

20 (A) shall ~~shall~~ apply for ~~and may be issued~~ a new permit
 21 under this subchapter;

22 (B) May be issued a new permit under this subchapter; and

23 (C) May operate under the selling entity's permit for no
 24 more than thirty (30) days from the date of the sale.

25 (2) When a partnership or limited liability company permitted
 26 under this subchapter changes, removes, or replaces the managing partner,
 27 managing member, president, or chief executive officer:

28 (A) the ~~The~~ existing permit issued under this subchapter
 29 is void~~;~~ and

30 (B) the ~~The~~ partnership or limited liability company:

31 (i) shall ~~shall~~ apply for ~~and may be issued~~ a new
 32 permit under this subchapter;

33 (ii) May be issued a new permit under this
 34 subchapter; and

35 (iii) May operate under the voided permit for no
 36 more than thirty (30) days from the date of the change, removal, or

1 replacement.

2 (3) When a nonpublicly traded corporation permitted under this
3 subchapter changes, removes, or replaces the president or chief executive
4 officer named on the permit or changes, removes, or replaces a stockholder
5 who owns fifty percent (50%) or more of the total voting shares of the
6 nonpublicly traded corporation's stock;

7 (A) ~~the~~ The permit issued under this subchapter is void;
8 and

9 (B) ~~the~~ The nonpublicly traded corporation:

10 (i) ~~shall~~ Shall apply for ~~and may be issued~~ a new
11 permit under this subchapter;

12 (ii) May be issued a new permit under this
13 subchapter; and

14 (iii) May operate under the voided permit for no
15 more than thirty (30) days from the date of the change, removal, or
16 replacement.

17 (4) When a publicly traded corporation permitted under this
18 subchapter changes, removes, or replaces the president or chief executive
19 officer named on the permit or changes, removes, or replaces a stockholder
20 who owns fifty percent (50%) or more of the total voting shares of the
21 publicly traded corporation's stock;

22 (A) ~~the~~ The permit issued under this subchapter is void;
23 and

24 (B) ~~the~~ The publicly traded corporation:

25 (i) ~~shall~~ Shall apply for ~~and may be issued~~ a new
26 permit under this subchapter;

27 (ii) May be issued a new permit under this
28 subchapter; and

29 (iii) May operate under the voided permit for no
30 more than thirty (30) days from the date of the change, removal, or
31 replacement.

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33 SECTION 4. Arkansas Code § 26-57-221 is amended to read as follows:

34 26-57-221. Permits - Not transferable.

35 (a) A permit is not:

36 (1) Transferable to a subsequent owner or operator; or

1 (2) Transferable to a different physical location unless the
2 permit holder obtains permission from the Director of Arkansas Tobacco
3 Control.

4 (b) A person purchasing an existing permitted retail location may
5 operate under the selling owner's permit for no more than thirty (30) days
6 from the date of the sale.

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8 /s/L. Eads
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