

State of Arkansas
93rd General Assembly
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As Engrossed: S3/1/21
A Bill

SENATE BILL 338

By: Senator L. Eads
By: Representative M. Gray

For An Act To Be Entitled

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

Subtitle

TO AMEND THE ARKANSAS TOBACCO PRODUCTS TAX ACT OF 1977; AND TO PROVIDE A GRACE PERIOD FOR CERTAIN CIRCUMSTANCES AT A PERMITTED BUSINESS LOCATION.

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

SECTION 1. Arkansas Code § 26-57-214(a), concerning the registration and permitting required before doing business under the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

replacement.

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

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

and

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

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

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

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

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

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

and

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

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

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

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

SECTION 4. Arkansas Code § 26-57-221 is amended to read as follows:
26-57-221. Permits - Not transferable.

(a) A permit is not:

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

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

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

/s/L. Eads

APPROVED: 3/17/21