



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1626

Bill Subtitle: TO PROHIBIT THE SALE OF DISPOSABLE VAPOR PRODUCTS.

Sponsors:

Reps. Duffield, Achor, F. Allen, Andrews, Barnes, Barnett, Beaty, Beck, Bentley, S. Berry, Breaux, Brooks, K. Brown, Joey Carr, Childress, C. Cooper, Cozart, Crawford, Dalby, Duke, Eaton, Eaves, Ennett, K. Ferguson, D. Garner, Gazaway, Gramlich, Hall, Hawk, Holcomb, Hollowell, Hudson, Jean, L. Johnson, Long, Lundstrum, Lynch, Maddox, Magie, J. Mayberry, McAlindon, McClure, McCullough, M. McElroy, McGrew, McGruder, McNair, Milligan, Nazarenko, Painter, Perry, Pilkington, Puryear, J. Richardson, Richmond, Rose, Rye, Schulz, T. Shephard, Steele, Torres, Tosh, Unger, Walker, Warren, D. Whitaker, and Wooten

Sens. Irvin, Stubblefield, Stone, Wallace, Petty, Dees, Tucker, and Bryant

Basic Change:

HB1626 prohibits the retail sale of a disposable vapor product within the state. A “disposable vapor product” is defined as a vapor product that:

- Has a battery that is not detachable from the atomizer or vaporizer;
- Cannot be refilled with e-liquid; and
- Is designed to be disposed of after the e-liquid is used.

The prohibition does not apply to the sale of a product that has been approved by the U.S. Food and Drug Administration (FDA). A violation is punishable as a Class A misdemeanor.

HB1626 allows the Director of Arkansas Tobacco Control of the Department of Finance and Administration (ATC) to seize and hold for disposition any disposable vapor product sold or offered for sale in violation of the prohibition. The bill adopts existing procedures for seizure, forfeiture, and destruction of seized products.

ATC is required to notify licensed manufacturers, wholesalers, retailers, and vendors of the requirements and the timeframe for compliance. HB1626 allows a 90-day grace period for the licensees to liquidate, sell, or dispose of any disposable vapor products.

Fiscal Impact:

Undetermined reduction to sales and use tax collections.

[The Department of Finance and Administration (DFA) does not have sufficient information to estimate the reduction to sales and use tax collections resulting from the prohibition of sales of disposable vapor products.]

Taxpayer Impact:

The sale of disposable vapor products will be prohibited. Any prohibited product that is sold or offered for sale is subject to seizure.



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Resources Required:

ATC Enforcement will need to identify and ensure removal of these products from all permitted and non-permitted premises in the state.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

ATC will undertake efforts to educate the permittees and staff on the change in the law.

Other Comments:

None.

Legal Analysis:

None.