



Bill Subtitle: TO INFORM THE PUBLIC OF HEALTH RISKS CAUSED BY VAPOR PRODUCTS AND E-LIQUID PRODUCTS; TO ENSURE THE SAFETY OF ARKANSAS YOUTH; AND TO DECLARE AN EMERGENCY.



State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement

Bill: SB252

Amendment Number: S1

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- An annual fee of \$500 to be paid by each certifying manufacturer for each brand family of vapor products or e-liquid products.

Fiscal Impact:

ATC would be collecting an undetermined number of new directory registration fees upon initial registration of all vapor or e-liquid products. There are 53 active vape manufacturers permitted by ATC, if they all register five brand families at a cost of \$1,000 each, that is an increase of \$265,000 in the first year, and \$132,500 upon renewal.

Taxpayer Impact:

Businesses that sell vapor or e-liquid products would be subject to regulation and additional registration requirements under SB252.

Resources Required:

ATC would need to adequately staff the administration and enforcement of the manufacturer's vapor and e-liquid product directory. Administration will need at least one extra staff member to process applications to register products and review certifications as they come in to update the directory monthly. Enforcement will need 5-10 additional enforcement agents to conduct required inspections, and at least one additional auditor to monitor the products and brand families being sold within the registry and to compare and identify those that would result in a violation.

In addition to the salaries for the additional staff needed, body camera, other equipment, and vehicles will be required for new enforcement agents and auditors.

Time Required:

ATC must make the directory publicly available by July 1, 2025. ATC will have to hire and train new employees, along with develop an application and forms necessary to create the new directory, which may take several months. This bill also gives authority to promulgate rules, which will take some time to research and draft, prior to approval by the ALC.

Procedural Changes:

ATC administration and enforcement will need to be trained on the new process for getting a brand family or product on the directory. Industry members will need to be educated on the new process, potential new violations, and where to locate the directory online.

Other Comments:

None.



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Legal Analysis:

Senate Amendment No. 1 --- As currently written, ATC would only be authorized to conduct compliance checks in the 90-day period following a violation. If this limitation is unintentional, SB252 would benefit from an amendment to strike page 14, lines 5-7 of the bill.

Original Bill --- SB252 may benefit from two minor corrections:

- On page 6, line 20, there is an extra quotation mark following the word "cake;" and
- On page 8, line 8, the word "or" likely should be replaced with the word "of."

SB252 may also benefit from clarifying which entity is required to pay the annual fee of \$500 described on page 11, lines 2-5.