



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

Bill: SB494

Bill Subtitle: TO REDUCE THE NUMBER AND TYPES OF PERMITS ISSUED BY ARKANSAS TOBACCO CONTROL; AND TO CONSOLIDATE SEVERAL PERMITS INTO A SINGLE PERMIT UNDER THE ARKANSAS TOBACCO PRODUCTS TAX ACT OF 1977.

Sponsors:

Sen. Bryant and Rep. Eaton

Basic Change:

SB494 consolidates three manufacturing permits issued by Arkansas Tobacco Control of the Department of Finance and Administration (ATC) into a single permit.

Specifically, the bill removes language referring to a Manufacturer Cigarette Only Permit and a Manufacturer Vapor Product and E-liquid Product Only Permit, which each had a fee of \$500. Those permits are now consolidated into a Manufacturer Tobacco Products, Vapor Products, Alternative Nicotine Products, or E-liquid Products Only Permit, for a single fee of \$500.

SB492 also repeals language referring to an all-inclusive Vapor Product and E-liquid Product Exclusive Permit that allowed its holder to act as a manufacturer, wholesaler, and retailer.

Fiscal Impact:

SB494 does not affect the existing annual privilege fees for manufacturers. The three permits that are being consolidated into one permit all currently have an annual privilege fee of \$500, and the new consolidated manufacturer permit would also have an annual privilege fee of \$500. This would mean all the current permit holders of the three permits being consolidated will see no change in their annual privilege fee and ATC would continue to collect the same amount.

SB494 would eliminate the \$1,000 annual privilege fee being collected for the Vapor and E-Liquid Exclusive Permit. There is only one holder of this permit, and therefore the reduction in privilege fee collections for this permit would be \$1,000 annually.

Taxpayer Impact:

All but one existing permit holder would see little if any change in their current regulatory obligations. The lone permit holder of the Vapor Product and E-liquid Product Exclusive Permit would apply for the new consolidated manufacturer permit. Permit holders of the three existing manufacturer permits will be issued the new consolidated manufacturer permit upon renewal.

Resources Required:

None.

Time Required:

Adequate time is provided for implementation.



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

Bill: SB494

Bill Subtitle: TO REDUCE THE NUMBER AND TYPES OF PERMITS ISSUED BY ARKANSAS TOBACCO CONTROL; AND TO CONSOLIDATE SEVERAL PERMITS INTO A SINGLE PERMIT UNDER THE ARKANSAS TOBACCO PRODUCTS TAX ACT OF 1977.

Procedural Changes:

ATC will revise the application for the new Manufacturer Tobacco Products, Vapor Products, Alternative Nicotine Products, and E-Liquid Products Only Permit and publish it on the ATC website.

SB494 will not change the application process for manufacturers. Instead, this bill reduces the number of available manufacturer permits from three to one.

Other Comments:

None.

Legal Analysis:

None.