BILL SUMMARY 1st Session of the 60th Legislature

Bill No.:SB1102Version:ENGRRequest Number:Author:Author:Rep. RoeDate:4/8/2025Impact:OAG: \$8,055,000

Research Analysis

The engrossed version of SB 1102 requires every manufacturer of a vapor product to execute and deliver an attestation to Attorney General certifying that the manufacturer submitted a timely filed premarket tobacco product application for the vapor product to the FDA and the application is either under review or has received a denial order that has been and remains stayed by the FDA or a court order, rescinded by the DFA, or vacated by a court. The measure provides that manufacture does not has to submit another marketing granted order or premarket tobacco product application because of a change in name, brad style, or packaging. The measure also provides that the attestation form separately lists each brand name, product name, flavor, and category for each vapor product sold in the state. This annual attestation will be accompanied by the documents listed in the measure and an initial payment of \$5,000 and \$2.500 for each subsequent year. This information will be considered confidential commercial or financial information.

The Attorney General must maintain and make publicly available a directly that lists all vapor product information for those which have had certification forms submitted and approved. The directory must be updated at least monthly. The Attorney General may not remove a product from the list without providing at least 30 days of notice of the intended action. Manufacturers will have 15 days to correct any deficiencies. Retailers must remove the product removed from the list within 30 days of the removal. Retailer who sell a vapor product that's not included in the directory will be subject to fines from \$500 to over \$5,000 depending on the how many violations have occurred. The measure provides that a manufacturer selling items to retailers removed from the list shall be subject to a civil penalty of \$10,000.00 for each individual vapor product offered for sale. Second and subsequent violations shall be considered a deceptive trade practice for purposes of the Oklahoma Deceptive Trade Practices Act. Nonresident and foreign manufacturers shall be required to post a surety bond of \$25,000.00. The Attorney General will adopt rules for the implementation and enforcement of the act. All fees and penalties collected will be used administration and enforcement of the status of the directory.

Prepared By: Suzie Nahach, House Research Staff

Fiscal Analysis

SB 1102 requires that all vapor product retailers and wholesalers undergo two annual inspections by the Office of the Attorney General (OAG) and its agents.

OAG officials project conducting at least 15,000 vapor inspections annually, based on the number of voluntary e-cigarette/vapor designations on tax permits reported by the Oklahoma Tax Commission. This figure is approximately eight times the number of cigarette retail inspections

conducted by the Tobacco Enforcement Unit (TEU) in the previous year. While the measure includes ABLE Commission agents and local law enforcement as part of the inspection team, the OAG remains uncertain regarding the potential impact of these partnerships, as these entities have other primary duties and responsibilities. Should coordination with external agents occur, the OAG would require a senior-level agent liaison to manage the inspections and ensure that all compliance results are published annually.

To effectively implement the provisions of the measure, the OAG anticipates needing the following:

26 Agents 8 Assistant Attorneys General 23 Support Staff Storage/Destroy capabilities

The total estimated cost is Eight Million Fifty-Five Thousand Dollars (\$8,055,000).

Prepared By: House Fiscal Staff

Other Considerations

None.

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