

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB3881</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>14207</b>
<b>Author:</b>	<b>Rep. Cantrell</b>
<b>Date:</b>	<b>2/24/2026</b>
<b>Impact:</b>	<b>OAG: \$3,082,000 annually beginning FY27</b>

**Research Analysis**

HB 3881, as introduced, creates the "Alternative Nicotine Products Regulatory Act of 2026," which outlines requirements that manufacturers, dealers, wholesalers, and retailers of alternative nicotine products must follow. These persons will be prohibited from selling any alternative nicotine product that uses specified terms or references in the product name, product labeling, product packaging, and marketing of the product.

A manufacturer of alternative nicotine products for sale must provide an attestation to the Attorney General and each manufacturer will pay an initial fee of \$1,000 and an annual fee of \$500. The manufacturer must notify the Attorney General of any changes to the attestation within 30 days. The Attorney General must develop a directory of all manufacturers who have provided attestations and make it available for public inspection by Oct. 1, 2026. This directory must be updated every 30 days. It will be unlawful to knowingly manufacture, distribute, sell, barter, or furnish in the state any product not in the directory.

The Department may assess a civil penalty and the Attorney General is also authorized to investigate and enforce violations. Civil penalties collected will be deposited in the Alternative Nicotine Products Compliance Fund, which this act creates as a special fund under state law.

Prepared By: Suzie Nahach, House Research Staff

**Fiscal Analysis**

HB3881 creates the Alternative Nicotine Products Regulatory Act of 2026, establishing manufacturing, labeling, marketing, and safety requirements for vape products, and creates the Alternative Nicotine Products Compliance Fund. The measure establishes various penalties ranging from \$500 to \$10,000 for violations and provides enforcement authority to the Office of the Attorney General (OAG). Officials with OAG have provided the following cost analysis:

The requirements of this bill will necessitate the creation of a new unit within the OAG's office. Particularly at the outset, this will be a significant undertaking as many retailers likely have non-directory products on their shelves. In calculating the costs the agency expects to incur, our tobacco enforcement unit has reviewed the bill and estimated the number of products and stores that would be impacted. While the Oklahoma Tax Commission (OTC) doesn't currently do Vapor Retail Permits, it allows for a "voluntary vapor declaration" on sales tax permits. The declaration is not mandatory. There are currently 1,437 "voluntary vapor declarations" by our research. We also assume vapor products are being sold by those entities with Cigarette Retail Permits. There are 5,133 Cigarette Retail Permits. With these numbers alone we are looking at thousands of stores. The number of violations, seizures, litigation, storage and disposal needed will be extensive.

Assembling, creating, and maintaining the Vapor Directory will also be a resource intensive undertaking. For a point of reference our research shows 56 manufacturers and 12,219 products on the ABLE Vapor Directory, each of which must be listed and updated. For comparison purposes there are just 20 manufacturers and 103 brand families on the Cigarette Directory. With these considerations, there is an expected cost of \$3,082,000 for the unit to include the following expenses:

- 8 Investigators (4 in OKC/4 in Tulsa)
- 4 Assistant Attorney General (2 in OKC /2 in Tulsa) - to handle civil actions seeking injunction/civil penalties
- 2 Paralegals/Legal Assistant (1 in OKC/1 in Tulsa)
- 4 Records Custodians – manage the Vapor Directory, process applications and Inspector Reports.
- Storage and destruction capabilities

Furthermore, Section 4(E)(2) states that the Vapor Directory must be on the OAG website on or before October 1, 2026. It may be unrealistic to receive applications for all of those manufacturers and create a list in that amount of time.

Therefore, based on the current form of the measure, the OAG anticipates an ongoing operational need for an additional \$3,082,000 annually beginning in FY27, and the agency would seek appropriations to defray these costs.

Prepared By: Robert Flipping IV, House Fiscal Staff

### **Other Considerations**

None.