



# Department of Revenue Vapor Products and Consumable Products Certification Annual Report

January 31, 2026

*Joint Legislative Oversight Committee on  
General Government*

*Fiscal Research Division*

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## Background

The General Assembly enacted Session Law 2024-31, which established a North Carolina directory (“directory”) for vapor products and consumable products (collectively referred to as “product”). If a product is not on the directory (“noncompliant product”), the product cannot “be sold for retail sale in North Carolina, either directly or through an importer, distributor, wholesaler, retailer, or similar intermediary or intermediaries.”<sup>1</sup>

For a product to be placed on the directory, a manufacturer must pay a fee and certify to the Department that the product meets certain requirements aligning with the premarket tobacco product application (PMTA) regulatory scheme administered by the Food and Drug Administration (FDA).<sup>2</sup>

To facilitate compliance with the directory, the Department may inspect retailers, distributors, and wholesalers who sell or offer for sale products required to be in the directory.<sup>3</sup> However, if a person notifies the Secretary that the person observed a product for sale that is not on the directory, the Department must perform a compliance check. Retailers, distributors, wholesalers, and manufacturers are subject to fines and civil penalties for violations of the directory.<sup>4</sup>

In accordance with G.S. 143B-245.16(c) (S.L. 2024-31), beginning January 31, 2026, the Secretary must annually provide a report to the legislature regarding the status of the directory, manufacturers and products included in the directory, revenue and expenditures related to administration of this section [Article], and enforcement activities undertaken pursuant to this section [Article], including the number of stores that have been inspected and the results from such inspections.

The information below complies with the annual legislation report required for Article 4, Part 3 of Chapter 143B, *Certification and Directory of Vapor Products and Consumable Products*.

## Directory Status

The Department issued a public notice on February 14, 2025, advising the public, including retailers, distributors, and wholesalers of law changes associated with the implementation and enforcement of the directory. It began accepting applications from manufacturers on March 1, 2025, and initially published the directory on May 1, 2025.

The Department updates the directory monthly, and it is available at the following address:

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<sup>1</sup> G.S. 143B-245.13(a).

<sup>2</sup> See G.S. 143B-245.11(a)(1)-(3).

<sup>3</sup> G.S. 143B-245.15(a).

<sup>4</sup> G.S. 14-313(h).

<https://www.ncdor.gov/taxes-forms/other-taxes-and-fees/vapor-product-and-consumable-product-certification-and-directory/vapor-certification-directory>

## Manufacturers and Products in the Directory

The tables below represent the Department’s certification activity as of December 31, 2025.

Manufacturers Certification Activity	Count
Certifications Received	33
Certifications Pending	1 <i>(fees pending)</i>
Certifications Denied	6
Certifications Approved	26

Product Certification Activity	Count
Product Certifications Received	1361
Product Certifications Pending	10 <i>(documents pending)</i>
Product Certifications Denied	298
Products Approved for Retail Sale	1053
Products Removed from the Directory	0

## Enforcement Activities

When a person has observed a noncompliant product being sold or offered for sale in North Carolina,<sup>5</sup> the person may alert the Department of a violation of the registry. After receipt, the Department will do all of the following:

1. Conduct an on-site, unannounced compliance check on the applicable party (retailer).
2. During the on-site compliance check, review the products being offered for sale to confirm the products are on the directory.
3. If the Department determines that noncompliant products are offered for sale, issue a warning letter to the retailer and manufacturer of the noncompliant products and perform a follow-up inspection within 30 days.

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<sup>5</sup> Due to limited resources, the Department is only able to perform compliance checks on retailers for which the Department has received a notice in accordance with G.S. 143B-245.15(a)(1). The Department assesses whether a notice from a person meets the criteria under the subdivision before allocating resources to conduct a compliance check.

4. If the Department determines that noncompliant products are offered for sale after the follow-up inspection, impose monetary fines or penalties in accordance with G.S. 14-313(h).

The table below represents the Department’s enforcement activities as of December 31, 2025.

Enforcement Activity	Count
Retailers Inspected	8
Retailers in Violation After Initial Inspection	8
Noncompliant Products Found	24,773
Warning Letters Issued to Manufacturers	16
Retailers in Violation After Follow-up Inspection	2
Number of Penalties Issued to Retailers	2 <i>(in progress)</i>
Remaining Warning Letters to be Issued to Manufacturers	61

**Revenue**

The table below represents revenue received by the Department as of December 31, 2025.

Administration and Enforcement Revenue	Amount
Certification Fees	\$64,000.00
Penalties Assessed	\$0.00
Penalties Received	\$0.00

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## Expenditures

The table below represents expenditures incurred by the Department as of December 31, 2025.

Task (Group)	Total Hours Expended <sup>6</sup>	Salary Expenses <sup>7</sup>	Direct Expenses
Enforcement (TPAC, ICLOS, and Exams )	5381	\$276,268.86	\$2,942.56 <sup>8</sup>
Certification (ETD)	1021	\$55,971.58	\$0.00
Implementation (IT)	843	\$78,018.58	\$0.00
Project Planning / Meetings (General)	1539	\$102,957.99	\$0.00
Other Expenses (General)	N/A	N/A	\$25,841.68 <sup>9</sup>
Subtotal	8784	\$513,217.01	\$28,784.24
Total Salary and Direct Expenses			\$542,001.25

<sup>6</sup> This is an estimate and does not include all hours expended by the Department to administer this law.

<sup>7</sup> When determining this amount, the Department added the following based on an hourly rate: (1) salary midpoint; (2) health insurance; (3) OASI-DI; and (4) retirement.

<sup>8</sup> These expenses include reimbursed miles, rental car expenses, lodging, and per diem.

<sup>9</sup> These expenses include software subscriptions, training, and equipment.