

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-0792/3	Introduction Number AB-0502
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Description
 Regulation of liquid nicotine packaging, providing an exemption from emergency rule procedures, and granting rule-making authority

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115 (1)(a)	

Agency/Prepared By DATCP/ David Woldseth (608) 224-5164	Authorized Signature Jason Gherke (608) 224-4748	Date 12/30/2015
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Fiscal Estimate Narratives

DATCP 12/30/2015

LRB Number	15-0792/3	Introduction Number	AB-0502	Estimate Type	Original
Description Regulation of liquid nicotine packaging, providing an exemption from emergency rule procedures, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Agriculture, Trade and Consumer Protection to promulgate rules requiring special packaging for liquid nicotine, which is commonly used to refill cartridges for electronic cigarettes. Current law defines special packaging as packaging that is designed or constructed in a way that makes it significantly difficult for children under five years of age to open or access the substance contained in the packaging or container. This bill creates an exemption from these rules for liquid nicotine contained in disposable packaging that is filled and sealed by the manufacturer and intended for use in vapor devices such as electronic cigarettes, and that is not intended to be opened by the consumer. The bill also requires these rules to meet the specifications and follow the testing methods for special packaging provided under certain federal regulations.

The department anticipates a temporary increase in workload upon passage of this bill. The department does not know the number of manufacturers that currently package liquid nicotine. In consideration of this, the department will need to educate manufacturers about the new law by providing outreach and information to the industry. After manufacturers have a sufficient period of time to comply, the department will survey the marketplace, at the retailer level, for compliance. Based on prior experience implementing new laws, the department will need to use various degrees of enforcement action to bring manufacturers into compliance. In addition, the department assumes, as with any new consumer protection law, there will be some consumer complaints.

Based on the work outlined above, the department anticipates the need for an additional .30 FTE to cover the temporary increase in workload. However, this increase could be offset by the department by temporarily shifting priorities in mediation and investigative work.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Regulation of liquid nicotine packaging, providing an exemption from emergency rule procedures, and granting rule-making authority		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Office setup, desks, telephones, computers, and supplies \$2,500		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$15,300	\$
(FTE Position Changes)	(0.3 FTE)	
State Operations - Other Costs	3,700	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$19,000	\$
B. State Costs by Source of Funds		
GPR	19,000	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$19,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
DATCP/ David Woldseth (608) 224-5164	Jason Gherke (608) 224-4748	12/30/2015