

Fiscal Estimate Narratives

DHS 10/8/2019

LRB Number	19-2839/1	Introduction Number	SB-364	Estimate Type	Original
Description raising the legal age for sale, purchase, and possession of cigarettes and nicotine and tobacco products, providing a legal age for sale, purchase, and possession of vapor products, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Current law prohibits a person under the age of 18 from purchasing, attempting to purchase, possessing, or falsely representing his or her age for the purpose of receiving any cigarette, nicotine product, or tobacco product with certain limited exceptions. Current law also prohibits a retailer, manufacturer, jobber, subjobber, or independent contractor or an employee or agent of any of these persons from selling cigarettes, tobacco products, or nicotine products to a person who is under the age of 18, and from providing cigarettes, tobacco products, or nicotine products for free to any person except in specific instances. These requirements are enforced through unannounced investigations of retailers to ensure compliance, which are funded by the Department of Health Services

Current law also requires retailers that sell cigarettes or tobacco products to provide training to their employees on current regulations regarding the sale of cigarettes and tobacco products to minors. This training is developed and monitored by the Department of Health Services.

This bill changes the age for purchasing cigarettes, tobacco products, or nicotine products from 18 to 21, and imposes a minimum age for purchasing vapor products.

The Department of Health Services can comply with the requirements of this bill by conducting additional investigations of retailers and developing an educational outreach campaign for retailers and law enforcement regarding the impact of the proposed legislation. To meet the requirements of this legislation, the Department would expand the scope of their investigations to include additional vape stores, develop a mailing and digital media campaign for retailers to increase awareness and compliance with statute, and provide educational information to law enforcement. The cost of these activities is \$139,200 GPR per year. This amount includes \$74,200 GPR to local community agencies currently conducting the investigations and \$65,000 GPR to fund additional educational outreach and training for retailers and law enforcement. Additionally, a one-time cost of \$130,000 GPR is required to update the retailer training and develop an educational outreach campaign to retailers and law enforcement that is reflective of the proposed statutory changes.

The Department is unable to absorb these costs within existing resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-2839/1	Introduction Number SB-364	
Description raising the legal age for sale, purchase, and possession of cigarettes and nicotine and tobacco products, providing a legal age for sale, purchase, and possession of vapor products, and providing a penalty		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): A one-time cost of \$130,000 GPR is needed to update the retailer training and develop an educational outreach campaign to retailers and law enforcement.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	139,200	
TOTAL State Costs by Category	\$139,200	\$
B. State Costs by Source of Funds		
GPR	139,200	
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	\$139,200	\$
NET CHANGE IN REVENUE	\$	\$

Agency/Prepared By	Authorized Signature	Date
DHS/ Veronnica Thompson (608) 267-5147	Andy Forsaith (608) 266-7684	10/8/2019