

OFFICE OF FISCAL ANALYSIS

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sSB-326

AN ACT CONCERNING THE SALE OF CERTAIN ELECTRONIC NICOTINE DELIVERY SYSTEMS, VAPOR PRODUCTS, CIGARETTES AND TOBACCO PRODUCTS.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 22 \$ | FY 23 \$ |
|--|-------------------|-----------------|-----------------|
| Department of Revenue Services | GF - Revenue Loss | 1.3 million | 2.5 million |
| Department of Revenue Services | GF - Cost | 42,933 | 88,441 |
| Mental Health & Addiction Serv., Dept. | GF - Cost | At least 33,750 | At least 77,096 |
| State Comptroller - Fringe Benefits ¹ | GF - Cost | At least 31,670 | At least 65,476 |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which bans flavored e-cigarette and vapor products, results in a General Fund revenue loss of \$1.3 million in FY 22 (partial year) and \$2.5 million in FY 23 and annually thereafter, as well as the following impacts:

Section 3 results in a cost of at least \$33,750 in FY 22 and \$70,096 in FY 23 (with associated fringe benefit costs of \$13,939 and \$28,950, respectively) to the Department of Mental Health and Addiction Services (DMHAS) to support at least one Special Investigator to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

comply with the unannounced compliance checks required under the bill.

Section 3 also results in a cost of \$60,664 in FY 22 (partial year funding) and \$124,967 in FY 23, inclusive of fringe benefit costs, for one Hearings Officer at the Department of Revenue Services.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*Sources: Centers for Disease Control and Prevention Morbidity and Mortality Weekly Report 9/18/2020
Testimony of Office of Policy and Management Secretary, Melissa McCaw
US Department of Health and Human Services*