

# OFFICE OF FISCAL ANALYSIS

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sSB-367

AN ACT CONCERNING THE SALE OF ELECTRONIC NICOTINE DELIVERY SYSTEMS AND VAPOR PRODUCTS AND INCREASING PENALTIES FOR UNDERAGE SALES OF SUCH SYSTEMS AND PRODUCTS, CIGARETTES AND TOBACCO PRODUCTS.

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Revenue Impact	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill makes various changes regarding e-cigarettes resulting in the revenue impact described below.

**Sections 1 and 2** prohibit the selling, delivering, or possessing of e-cigarettes and vapor products by businesses other than adult-only tobacco retail stores resulting in a potential revenue loss to the state. To the extent this restriction results in fewer nicotine delivery system dealer registrations there is a potential revenue loss to the state.<sup>1</sup> In FY 21 there were 1,698 applications and renewals for this dealer registration.

**Sections 3 to 6** result in a potential General Fund revenue gain by raising the maximum fines and penalties that may be imposed on someone who sells, gives, or delivers tobacco or vapor products to someone under the legal age. Revenue from penalties and fines levied

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<sup>1</sup> The annual fee for a dealer registration is \$800, unless that person holds another dealer registration than the annual fee is \$400.

by the Department of Revenue Services (DRS) averaged approximately \$65,000 over the past five full fiscal years (FY 17 to FY 21).

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of cigarette, tobacco product, e-cigarette, and vapor product sales violations found and the number of dealer applications.