

OFFICE OF FISCAL ANALYSIS

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HB-5261

AN ACT PROHIBITING THE SALE OF ENERGY DRINKS TO
INDIVIDUALS UNDER SIXTEEN YEARS OF AGE.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 25 \$ | FY 26 \$ |
|--|-----------------------------|-----------|-----------|
| Consumer Protection, Dept. | GF - Cost | 364,167 | 476,833 |
| State Comptroller - Fringe Benefits ¹ | GF - Cost | 139,424 | 185,899 |
| Resources of the General Fund | GF - Potential Revenue Gain | See Below | See Below |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill bans the sale of energy drinks to individuals under the age of sixteen and requires the Department of Consumer Protection (DCP) to enforce the ban resulting in a total cost to the state of \$503,591 in FY 25² and \$662,732 in FY 26 and a potential revenue gain.

To meet the requirements of the bill DCP will need to hire six new employees³ for a salary and other expenses cost of \$364,167 in FY 25 and \$476,833 in FY 26, along with corresponding fringe benefits costs of \$139,424 in FY 25 and \$185,899 in FY 26. The additional employees are

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 41.25% of payroll in FY 25.

²FY 25 costs reflect 9 months of salary due to the bill's October 1, 2024 effective date.

³The new employees consist of four investigators, one staff attorney, and one consumer information representative.

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needed to regulate the market through inspections, monitoring compliance, receiving and investigating complaints, and educating the public. To the extent there are multiple violations from the same dealer there is a potential revenue gain to the state.⁴

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases and the number of violations.

⁴A first-time offender is issued a warning, a second offense is a fine of not more than \$200, a third and subsequent offenses are fines of not more than \$350.