



Fiscal Note
S.B. 37 5th Sub. (Gray)
 2020 General Session
 Electronic Cigarette and Other Nicotine
 Product Amendments
 by Christensen, A. (Ray, Paul.)



General, Education, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$0

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2020	FY 2021	FY 2022
New Account Created By Bill (FN Only)	\$0	\$15,000,000	\$24,000,000
Total Revenues	\$0	\$15,000,000	\$24,000,000

Enactment of this bill may increase revenue to the newly created Electronic Cigarette and Other Nicotine Product Tax Restricted Account by \$15.0 million in FY 2021 and \$24.0 million in FY 2022.

Expenditures	FY 2020	FY 2021	FY 2022
New Account Created By Bill (FN Only)	\$0	\$8,180,000	\$8,180,000
Total Expenditures	\$0	\$8,180,000	\$8,180,000

The following state agencies will be able to spend annually from newly-created Electronic Cigarette Substance and Nicotine Product Tax Restricted Account beginning in FY 2021: (1) \$7.0 million for the Department of Health for cessation programs and prevention education at the state level and in local health departments and (2) \$1,180,000 to the Department of Public Safety for law enforcement officers.

	FY 2020	FY 2021	FY 2022
Net All Funds	\$0	\$6,820,000	\$15,820,000

Local Government

UCA 36-12-13(2)(c)

Enactment of this bill may increase revenue to the 13 local health departments by \$5.0 million annually beginning in FY 2021 to (1) provide grants for substance abuse prevention and (2) cover costs associated with electronic cigarette and nicotine product enforcement and education. Additionally enactment of this legislation may result in revenue of \$5,000 per civil penalty and associated costs of prosecution.

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Individuals & Businesses

UCA 36-12-13(2)(c)

Enactment of this bill may increase the tax burden for purchasers of electronic cigarettes and other nicotine products by \$15.0 million in FY 2021 and \$24.0 million in FY 2022. Businesses that participate in selling certain products outlined in this legislation will be required to post a bond in a minimum amount of \$500.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation could result in a medium increase in the regulatory burden for Utah residents or businesses.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.