



**Fiscal Note**  
**S.B. 37 6th Sub. (Cherry)**  
 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        |
| <b>Total Revenues</b>                 | <b>\$0</b> | <b>\$15,000,000</b> | <b>\$24,000,000</b> |

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        |
| <b>Total Expenditures</b>             | <b>\$0</b> | <b>\$8,180,000</b> | <b>\$8,180,000</b> |

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             |
|----------------------|------------|--------------------|---------------------|
| <b>Net All Funds</b> | <b>\$0</b> | <b>\$6,820,000</b> | <b>\$15,820,000</b> |

**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.