OFFICE OF FISCAL ANALYSIS

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sHB-6404
AN ACT PROHIBITING THE SALE OF FLAVORED ELECTRONIC CIGARETTE LIQUID OUTSIDE OF RETAIL ESTABLISHMENTS THAT PROHIBIT THE ENTRY OF MINORS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 $	FY 21 $
Consumer Protection, Dept.	GF - Cost	430,139	430,139
State Comptroller - Fringe Benefits[1]	GF - Cost	95,571	95,571
Consumer Protection, Dept.	GF - Revenue Gain	60,000	30,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill prohibits certain retail establishments from selling flavored electronic cigarette liquid and results in a cost to the Department of Consumer Protection (DCP) and the Office of the State Comptroller (OSC) and a revenue gain to DCP.

It is anticipated that DCP will need to hire three employees (two drug control agents and a paralegal) to investigate, enforce, and test these products which are currently sold at approximately 1,200 stores in the state. The enforcement is estimated to generate approximately $60,000 in revenue through fines in FY 20, and approximately $30,000 in FY 21.

[1]The 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 41.19% of payroll in FY 20 and FY 21.

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The Out Years

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