

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version: SB 24  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB024-DOH-CDPHP-02-21-25  
Title: TOBACCO/NICOTINE/E-CIG AGE; E-CIG TAX  
Sponsor: STEVENS  
Requester: (S) L&C

Department: Department of Health  
Appropriation: Public Health  
Allocation: Chronic Disease Prevention and Health Promotion  
OMB Component Number: 2818

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2025) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2026) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/26

## Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

Prepared By: Lindsey Kato, Division Director  
Division: Public Health  
Approved By: Pam Halloran, Assistant Commissioner  
Agency: Department of Health  
Phone: (907)465-3573  
Date: 02/21/2025  
Date: 02/21/25

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION

BILL NO. SB024

### Analysis

SB024 raises the minimum legal age to purchase tobacco and nicotine products from 19 to 21. The bill reduces the fine for underage possession of tobacco or nicotine from \$500 to \$300, with an option for the court to refer the person in possession to a tobacco education program. The bill retains the exception for electronic cigarettes used for tobacco cessation, if approved by the Food and Drug Administration (FDA) as a cessation device.

The bill creates a new sales tax structure for electronic smoking products, which are not currently taxed. The bill prohibits online sales of tobacco products to individuals for personal use, likely to address current inconsistencies in state tobacco tax collection. The definition of electronic smoking products would implement a 25 percent sales tax on closed electronic smoking products and vapor products.

This bill removes the Tobacco Use Education and Cessation Fund (TUECF) as a special account within the General Fund and establishes TUECF as its own fund within the state treasury. There is no direct fiscal impact from this legislation to either fund.

The bill sets an effective date of January 1, 2026; Sections related to sales, shipping, licensing, and tax have an effective date of January 1, 2027.

There is limited programmatic impact and no fiscal impact is foreseen; therefore this is a zero dollar fiscal note.