

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSSB 15(L&C)
Fiscal Note Number:	1
(S) Publish Date:	3/6/2017

Identifier: SB015-DCCED-CBPL-02-10-17
 Title: E-CIGS: SALE TO AND POSSESSION BY MINOR
 Sponsor: STEVENS
 Requester: (S) LAC

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Corporations, Business and Professional
Licensing
 Allocation: Corporations, Business and Professional
Licensing
 OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services	15.0						
Commodities	0.4						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	15.4	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	15.4						
Total	15.4	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
 (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 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Janey Hovenden, Director	Phone:	(907)465-2538
Division:	Corporations, Business and Professional Licensing	Date:	02/10/2017 12:05 PM
Approved By:	Catherine Reardon, Director	Date:	02/10/17
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

SB 15 would make the possession by a minor or selling to a minor of "electronic smoking products, or products containing nicotine" a criminal offense. This bill adds requirements for a business license endorsement to retailers of "electronic smoking products, or products containing nicotine"; current business license endorsements are only to sell tobacco products.

This legislation will add civil fines to violations of business licensing endorsement for "electronic smoking products, or products containing nicotine". This bill will add "electronic smoking products, or products containing nicotine" into existing language for a business license endorsement (AS 11.76.109). This will require the court to notify the department upon a conviction of an endorsement holder. This will increase the issuance of pertinent civil penalties, suspension of business licensing endorsements, responses to requests for hearings, and will also require CBPL to appropriately secure and store seized items until they are released or appropriately destroyed based on the type of product.

The bill requires the department to provide, at no charge, separate warning signs for the new endorsements. This requires a change to the CBPL database, warning signs, forms, online filing, websites and investigations. CBPL already provided these signs to existing tobacco endorsement holders, but will be required to send updated signs that include the revised language to all endorsement holders.

Retailers would require an endorsement to sell "electronic smoking products, or products containing nicotine", and would be required to post three appropriate warning sign(s). Retailers would also be required to restrict access to these products by minors, and to train staff regarding the sale of these products to minors.

If the bill passes the following expenses will be incurred in the first year:

Services: \$3.0 (legal costs to amend regulations, printing, and postage)
 \$7.5 (information technology services for system change)
 \$4.5 (printing and postage to mail new signage)

Commodities: \$0.4 (manila envelopes to mail new signage)

The potential number of businesses affected by this bill is unknown at this time. Future costs for hearing services expenses for these businesses are unknown.

Business licensing fees at CBPL are funded by General Fund Program Receipts fund source 1005 GF/Prgm (DGF). Business licensing fees are set per AS 43.70, revenue in excess of authorized budgeted expenses lapses to the State of Alaska general fund.