

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HCS CSSB 89(L&C)
Fiscal Note Number:	13
(H) Publish Date:	5/8/2024

Identifier: CSSB089-DOH-CDPHP-01-02-24
 Title: AGE FOR TOBACCO/NICOTINE/E-CIG; TAX
 E-CIG
 Sponsor: STEVENS
 Requester: H HSS

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)

	FY2025	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2025 Request	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	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 (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/25

Why this fiscal note differs from previous version/comments:

Updated from SLA2023 to SLA2024 fiscal note template,

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Division:	Public Health	Date:	01/02/2024
Approved By:	Raquel Solomon-Gross, Acting Assistant Commissioner	Date:	01/10/24
Agency:	Department of Health		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION**Analysis**

Senate bill 89 raises the minimum legal age to purchase tobacco and nicotine products from 19 to 21.

The bill clarifies the exception from taxation for electronic cigarettes used for tobacco cessation, by ensuring the product is approved by the Food and Drug Administration (FDA) as a cessation device. The bill strengthens restrictions on underage access by requiring licensed tobacco retailers to verify age at the time of purchase and at delivery when transporting or shipping tobacco products in Alaska.

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% 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 July 1, 2024

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