DIGEST

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HB 517 Reengrossed 2025 Regular Session Brass

Abstract: Dedicates a portion of the avails of the tax levied on smokeless tobacco to the Youth Cessation and Prevention Fund to be used to address youth and adult prevention and cessation of tobacco product use.

Proposed law establishes the "Youth Cessation and Prevention Fund", (fund) as a special fund in the state treasury. After satisfying present constitution requirements relative to the Bond Security and Redemption Fund, the state treasurer shall annually deposit into the fund an amount equal to 20% of the avails of the tax imposed on smokeless tobacco.

Proposed law requires monies to be appropriated from the fund as follows:

(1) 40% to the La. Cancer Research Center to be used solely for statewide planning and funding the establishment of school, community-based, and mass-media cessation and other evidence-based initiatives to prevent and control the use of all tobacco products and all emerging tobacco and nicotine products by youth and young adults in schools and the community.

(2) 40% to the La. Dept. of Health, office of public health, Bureau of Chronic Disease Prevention and Healthcare Access, for the tobacco related disease program administered by the Well-Ahead La. Program.

(3) 10% to the Cancer Center of La. State University Health Sciences Center in Shreveport to be used solely for funding the establishment of smoking prevention mass-media programs and evidence-based tobacco control programs within the public hospital system and the screening, prevention, and treatment of tobacco use and dependance among individuals with diseases caused or exacerbated by tobacco use.

(4) 10% to the Mary Bird Perkins Cancer Center in Gonzales, La. to be used solely for funding the establishment of smoking prevention mass media programs and evidence-based tobacco control programs within the public hospital system and for the screening, prevention, and treatment of tobacco use and dependance among individuals with diseases caused or exacerbated by tobacco use.

Proposed law prohibits amounts appropriated to the fund from displacing, replacing, or supplanting appropriations from the state general fund for the recipients of the fund.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:841.2)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the effective date of proposed law from July 1, 2025, to Jan. 1, 2026.

2. Change dates with respect to the treatment of floor stock when the tax increase in proposed law becomes effective to require the increase in the tax to apply to all floor stock of vapor products and electronic cigarettes purchased by retailers and wholesale dealers on and after Jan. 1, 2026.

3. Remove references to stamped products and unused stamps in reference to treatment of floor stock.

4. Require wholesale and retail dealers of vapor products and electronic cigarettes to file an inventory of products on hand as of Dec. 31, 2025, and require the inventory to be filed with the Dept. of Revenue by Feb. 1, 2026.

The House Floor Amendments to the engrossed bill:

1. Delete provisions of proposed law that changed the tax levied on vapor products and electronic cigarettes from .15¢ per milliliter of consumable nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used to 33% of the invoice price of these products.

2. Delete provisions of proposed law with respect to applying the change in the tax rate to vapor products and electronic cigarettes in the floor stock of retail and wholesale dealers.

3. Establish the Youth Cessation and Prevention Fund and dedicates a portion of the avails of the tax levied on smokeless tobacco to the fund to be used to address youth and adult prevention and cessation of tobacco product use.

4. Change the effective date from Jan. 1, 2026, to governor's signature.