

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 621** HLS 24RS 775
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: April 30, 2024 2:06 PM	Author: STAGNI
Dept./Agy.: Office of Alcohol and Tobacco Control (ATC)	Analyst: Noah O'Dell
Subject: Taxation of Vapor Products	

TOBACCO/TOBACCO PRODUCTS EG1 NO IMPACT SG RV See Note Page 1 of 1
 Provides relative to vapor products

Current law provides for a vape tax of 15c/ml and establishes enforcement procedures for the Office of Alcohol and Tobacco Control (ATC), including the creation and publishing of a directory of approved vapor products and alternative nicotine eligible for sale in the state. The proceeds of the tax are dedicated to specific statutory dedications. Current law establishes communications required by ATC to wholesale dealers, retailers, or manufacturers and authorizes various fees and penalties related to vape tax enforcement activities.

Proposed law retains current law through redesignation from R.S. 26:926 to R.S. 26:926.1 and clarifies that each product sold in violation of the vape directory mandates shall constitute a separate violation. Proposed law adds to mandated communications from the ATC and updates the citation and fund name referencing the LA Public Defender Board, which is now the Office of the State Public Defender. Effective upon signature by the governor

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
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Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

The measure appears to be codifying existing administrative rules, thus anticipated current practice, into law. Emergency rules were promulgated by ATC in September, 2023 establishing that violations of vape directory mandates are a separate violation for each SKU or unit of product sold or offered for sale, possessed, or transported. According to ATC, as of March 21, 2024, no business has been imposed a fine for violation of the vape directory due to ATC agent training and enforcement delays due to litigation.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Chief Economist