

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2025 REGULAR SESSION**

MEASURE

2025 BR NUMBER 261

SENATE BILL NUMBER 100

TITLE AN ACT relating to products containing nicotine.

SPONSOR Senator Jimmy Higdon

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Alcoholic Beverage Control, Department of Corrections

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		Indeterminable	Indeterminable
EXPENDITURES		Indeterminable	Indeterminable
NET EFFECT		Indeterminable	Indeterminable

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of this legislation is to create the Division of Tobacco, Nicotine, and Vapor Product Licensing within the Department of Alcoholic Beverage Control to license and regulate the sale and distribution of alternative nicotine, tobacco, and vapor products.

FISCAL EXPLANATION: This bill would generate Restricted Funds revenues from application fees (\$50), license fees (\$250), and fines (ranging from \$100 to \$1,000). There are approximately 5,600 retail establishments that sell tobacco-related products, which would generate over \$1,000,000 annually in license fees alone. The measure allocates 50% of fines collected to offset the cost of enforcement and the remaining 50% to a youth program that educates youth on the danger of tobacco and vapor products. Expenditures resulting from the implementation of this bill would include additional investigator positions and IT costs related to developing a reporting database of retailers who violate regulation; however, Restricted Funds revenues are expected to cover these expenses.

This legislation creates a new Class D felony which could increase incarceration costs by \$17,313 annually per offender. It is unknown how many convictions may result from the legislation, resulting in indeterminable General Fund expenditures.

DATA SOURCE(S): LRC Staff

PREPARER: Sara Rome **NOTE NUMBER:** 48 **REVIEW:** JMR **DATE:** 2/17/2025