



## FISCAL NOTE

### Senate Bill 271

Committee: Judiciary

Sponsor: Senator Garlan Gudger

Analyst: Tiffany Weaver

Date: 05/09/2023

**Senate Bill 271** as introduced would increase the obligations of the Alcoholic Beverage Control (ABC) Board by: (1) a board-estimated minimum of \$805,000 annually for personnel and other costs associated with inspection of electronic nicotine delivery systems, e-liquids, and alternative nicotine products at permitted locations and to seize contraband, and (2) an undetermined amount for increased secured storage space for seized contraband. However, these obligations would be offset, in whole or in part, by an estimated minimum of \$900,000 annually in new receipts to the Tobacco Licensing and Compliance Fund, which would be created by this bill for such operational costs and prevention education, from the collection of a \$50 one-time filing fee, \$150 annual permit fee, and a \$50 transfer fee, as provided by this bill, for the approximately 8,000 distributors currently permitted by the ABC Board.

This bill would also increase receipts to the Public Safety Fund by an estimated minimum of \$300,000 annually from the new fees provided by this bill.

This bill would also allow the ABC Board to charge a fee to destroy electronic nicotine delivery systems that are seized, which will cover the increased obligations to destroy these systems.

This bill would also change the distribution of the e-liquid manufacturer's fee, after payment of expenses to the Department of Revenue, as follows:

| Distribution                                     | Current | This Bill |
|--|---------|-----------|
| State General Fund                               | 66.6%   | 50%       |
| Alabama State Law Enforcement Agency             | 16.66%  | 25%       |
| ABC Board /Tobacco Licensing and Compliance Fund | 16.66%  | 25%       |

Finally, this bill would also provide for the following: (1) an increase in administrative fines by \$250 to \$350 dollars depending on the offense; (2) a new set of fines ranging from \$500 to \$1000 for permit holders that carry products that are not on the Department of Revenue's



registry of approved e-liquid manufacturers and manufacturers of alternative nicotine products, and 3) an increase in fine for those who are age 18 to 21 years old that are issued a citation, which could increase receipts to the State General Fund and municipal general funds from fines; increase receipts to the State General Fund, county general funds, municipal general funds, and other funds to which court costs are deposited; and could increase the obligations of the State General Fund, district attorneys, and the local jails by an amount dependent upon the number of persons charged with and convicted of the offenses provided by this bill and the penalties given. The Board estimates an increase in receipts by \$112,550 annually from increased administrative fine amounts.