

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6715**  
**BILL NUMBER: SB 149**

**NOTE PREPARED:** Feb 1, 2024  
**BILL AMENDED:** Jan 30, 2024

**SUBJECT:** Tobacco.

**FIRST AUTHOR:** Sen. Rogers  
**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Tobacco Sales Certificates:* This bill prohibits the Alcohol and Tobacco Commission (ATC) from issuing a tobacco certificate (certificate) to certain persons.

It also provides that, if a majority interest in a business that holds a certificate is sold or transferred:

- (1) the new ownership must apply for a new certificate; and
- (2) the certificate and permit number held by the previous ownership are void as of the date of the sale or transfer of the interest in the business.

It requires an employee of a certificate holder to hold a valid driver's license or identification card to sell tobacco products.

*False Statement of Age:* The bill provides that a minor who falsely represents the minor's age for the purpose of purchasing a tobacco product is subject to a civil penalty and must attend a smoking cessation class.

*Penalty Provisions:* The bill provides that a person who recklessly, knowingly, or intentionally sells a tobacco product without a valid certificate commits a Class C infraction.

It also provides that the tobacco sales certificate of a tobacco and vaping business that illegally operates within 1,000 feet of school property is permanently revoked.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** *Tobacco Sales Certificates:* The ATC would experience an increase

in workload to verify that an applicant for a tobacco sales certificate is not a person who is restricted from holding a certificate. The bill's requirements should be able to be implemented within existing staffing and resource levels. [The ATC is primarily funded by appropriations from the Enforcement and Administration Fund.]

**Explanation of State Revenues:** *Tobacco Sales Certificates:* The bill imposes restrictions on who qualifies for a tobacco sales certificate. It also provides that a person's tobacco sales certificate will be permanently revoked if that person operates a tobacco and vaping business within 1,000 feet of school property. To the extent these provisions reduce the number of applications for tobacco sales certificates, revenue to the Enforcement and Administration Fund could decrease. [The fee for a tobacco sales certificate is \$200 for each retail location, paid every three years.]

*Penalty Provisions:* The bill provides that a person that operates a tobacco and vaping business within 1,000 feet of school property, which is defined in IC 35-31.5-2-285, commits a Class C misdemeanor. (Under current law, it is a Class C misdemeanor for a tobacco and vaping business to operate within 1,000 feet of a building used by a public or private elementary or secondary school for instructional purposes.) The bill also makes it a Class C infraction for a person to recklessly, knowingly, or intentionally sell a tobacco product without a valid tobacco sales certificate.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. The total fee revenue per case would range between \$113 and \$135 for a Class C misdemeanor and between \$85.50 and \$103 for a Class C infraction. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

*False Statement of Age:* The bill allows the ATC to impose a civil penalty on a minor who makes a false statement of age or presents false evidence of age for the purpose of obtaining a tobacco product. The maximum penalty is \$250 for the first violation and \$500 for subsequent violations. Revenue will be deposited in the Richard D. Doyle Youth Tobacco Education and Enforcement Fund.

**Explanation of Local Expenditures:** *Penalty Provisions:* A Class C misdemeanor is punishable by up to 60 days in jail.

**Explanation of Local Revenues:** *Penalty Provisions:* If additional court actions occur and a guilty verdict or judgment is entered, more revenue will be collected by certain local units. If the case for a Class C misdemeanor is filed in a court of record, the county general fund will receive \$47.40, and qualifying municipalities will receive a share of \$3.60. If the case is filed in a municipal court, the county receives \$30, and the municipality will receive \$46.

If the case for a Class C infraction is filed in a court of record, the county will receive \$33.90, and qualifying municipalities will receive a share of \$2.10. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$33.50.

The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2023. Indiana Supreme Court, Indiana Trial Court Fee Manual.

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