

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3555H.01I
Bill No.: HB 1484
Subject: Tobacco Products; Political Subdivisions; Licenses - Miscellaneous; Department
of Public Safety
Type: Original
Date: January 31, 2024

Bill Summary: This proposal modifies provisions relating to tobacco product regulations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Federal SAPT block grant* (DMH)	\$0 to \$2,419,342	\$0 to \$2,903,210	\$0 to \$2,903,210
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to \$2,419,342	\$0 to \$2,903,210	\$0 to \$2,903,210

*Compliance with federal mandate could result in a loss avoidance of SAPT block grant funding.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§407.924 – 407.934 – Tobacco product regulations

Officials from the **Department of Mental Health (DMH)** state the proposed legislation modifies language in Chapter 407 related to the law to sell or distribute tobacco products to a minor. It would change the laws that make it unlawful to sell or distribute tobacco products, including alternative nicotine products, to any individual under twenty-one years of age. This change is due to a federal mandate, the Synar Amendment to the Public Health Service Act, Public Law 116-94.

This legislation would benefit the Division of Behavioral Health (DBH) in complying with the Synar amendment. The federal law requires individuals to be at least 21 years of age to purchase any tobacco products-including cigarettes, cigars, and e-cigarettes. Whereas, Missouri's current law requires individuals to be at least 18 years of age to purchase tobacco, alternative nicotine products, or vapor products.

Passing this bill will bring Missouri law into compliance with the Federal Tobacco 21 law, which would assist DMH in avoiding penalties and a potential loss of funding. If DMH is out of compliance with the Synar Amendment, DMH risks losing 10% of the Federal Substance Abuse Prevention and Treatment (SAPT) block grant funding totaling **\$2,903,210**, or have an option to negotiate for and complete a Corrective Action Plan.

Oversight has no information to the contrary. Oversight will present the fiscal impact of this proposal as a range between \$0 and a \$2.9 million savings (loss avoidance) of SAPT funding due to the compliance with a federal mandate as provided by DMH. Oversight assumes DMH would negotiate and complete a Corrective Action Plan if this proposal is not passed but further assumes a Corrective Action Plan could only be completed a limited number of times and that eventually there could be a loss of funding due to non-compliance with Federal law.

Officials from the **Department of Revenue (DOR)** state this proposal updates the tobacco statutes by changing the name of the Division of Liquor to the Division of Alcohol and Tobacco Control (A&TC). The DOR notes that updating the name of the Division will not have a fiscal impact.

This proposal raises the age of selling smoking, tobacco or vapor products from 18 to 21. The Federal Budget signed on December 20, 2019, included a provision that raised the smoking, tobacco or vapor products age from 18 to 21. The federal law went into effect immediately. The changes in this proposal are to bring Missouri statutes into alignment with federal law. The Department assumes no impact from these changes.

This proposal updates several statutory references throughout. These will not have a fiscal impact on the DOR.

Section 407.932

This provision prohibits a political subdivision from denying a tobacco license to a qualified applicant at the same location there was a license the previous 24 months. DOR assumes this will not have a fiscal impact on the Department.

DOR assumes this proposal will not have a fiscal impact.

Oversight has no information to the contrary. Therefore, Oversight will present no fiscal impact for the DOR.

Officials from the **Department of Public Safety – Division of Alcohol and Tobacco Control**, the **Office of Administration - Budget and Planning**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Missouri Department of Conservation**, the **City of Kansas City**, the **Phelps County Sheriff’s Department**, the **Kansas City Police Department** and the **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
FEDERAL FUNDS			
<u>Loss Avoidance – DMH – potential avoidance of loss of SAPT block grant funding due to elimination of noncompliance with Federal law (§§407.924 – 407.934)</u>	\$0 to <u>\$2,419,342</u>	\$0 to <u>\$2,903,210</u>	\$0 to <u>\$2,903,210</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 to</u> <u>\$2,419,342</u>	<u>\$0 to</u> <u>\$2,903,210</u>	<u>\$0 to</u> <u>\$2,903,210</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal could negatively impact small businesses that sell tobacco and other nicotine or vapor products to

FISCAL DESCRIPTION

This bill establishes that no political subdivision shall deny a qualified applicant for a tobacco products license, an alternative nicotine products license, or a vapor products license if the new license is for the same business or location that had a tobacco products license, an alternative nicotine products license, or a vapor products license within the previous 24 months, as described in the bill.

Additionally, any new licensee shall remain eligible for a tobacco products license, an alternative nicotine products license, or a vapor products license, or the renewal thereof, provided that such licensee complies with applicable rules and laws.

The bill changes the minimum age to purchase tobacco products, alternative nicotine products, and vapor products from 18 years of age to 21 years of age.

The Division of Alcohol and Tobacco within the Department of Public Safety is currently allowed to employ a person 17 years of age, with parental consent, to attempt to purchase tobacco for the purpose of inspection or enforcement of tobacco laws. This bill changes the age to 16 years of age and under 21 years of age.

This legislation is federally mandated, but would not duplicate any other program or require additional capital improvements or rental space.

SOURCES OF INFORMATION

- Office of Administration - Budget and Planning
- Department of Health and Senior Services
- Department of Mental Health
- Department of Natural Resources
- Department of Revenue
- Department of Public Safety –Alcohol and Tobacco Control
- Missouri Department of Conservation

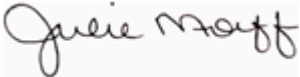
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City of Kansas City
Phelps County Sheriff's Department
Kansas City Police Department
St. Louis County Police Department



Julie Morff
Director
January 31, 2024



Ross Strobe
Assistant Director
January 31, 2024