

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB2036

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: DeSteph

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Purchase of tobacco products by minors; vapor products; liquid nicotine packaging; civil penalty.

5. Summary: This engrossed bill prohibits the sale of vapor products to a minor and the purchase or possession of vapor products by a minor. The bill defines vapor product as a noncombustible product, which may or may not contain nicotine, that employs a heating element, power source, electronic circuit, or other means that can be used to produce vapor from a substance in a solution or other form. Current law prohibits the sale of nicotine vapor products to a minor and the purchase or possession of nicotine vapor products by a minor. The bill also provides that no person shall sell or distribute, or offer for sale or distribution, a liquid nicotine container on or after December 1, 2015, unless the liquid nicotine container is packaged in child-resistant packaging and complies with labeling requirements consistent with regulations adopted by the Board of Agriculture and Consumer Services. The bill requires the Board to adopt regulations establishing standards for child-resistant packaging and labeling requirements no later than November 1, 2015. Any person who sells or distributes, or offers for sale or distribution, a liquid nicotine container on or after December 1, 2015, in packaging that does not meet the child-resistant packaging and labeling requirements is subject to a civil penalty not to exceed \$100 for a first violation, \$200 for a second violation, and \$500 for a third or subsequent violation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: The bill requires the Board of Agriculture and Consumer Services to adopt regulations establishing child-resistant packaging standards and warning label requirements for liquid nicotine containers. The costs associated with promulgating regulations may be absorbed in the existing appropriation for the Department of Agriculture and Consumer Services.

The bill states that any law enforcement office may issue a summons for a violation of the provisions, and the Commonwealth's Attorney of the locality in which an alleged violation occurs may initiate action to recover the civil penalty established in the bill. Specifically, the bill provides that a civil penalty not to exceed \$100 for a first violation, \$200 for a second violation, and \$500 for a third or subsequent violation shall be assessed to those in violation

of the provisions of the bill. Such penalties shall be deposited to the state treasury. At this time, it is not possible to determine the revenue impact of such penalties.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services; Department of Alcoholic Beverage Control; state and local law enforcement agencies; local Commonwealth Attorneys.

10. Technical Amendment Necessary: No.

11. Other Comments: SB1325 also relates to liquid nicotine containers.