

# Fiscal Note

**BILL #** SB 1212

**TITLE:** vapor products; sales; directory

**SPONSOR:** Shope

**STATUS:** As Introduced

**PREPARED BY:** Gordon Robertson

## Description

The bill would require each vapor product manufacturer to certify to the Attorney General (AG) by August 1, 2024 that each vapor product sold has either been approved for marketing or is under review by the U.S. Food and Drug Administration (FDA). In addition, the bill would require the AG to publish and maintain on their website, by October 1, 2024, a directory listing all certified vapor products and manufacturers. The bill would allow the AG to investigate the sale of non-certified vapor products and would allow the AG to collect fees for vapor product certification and civil penalties for the sale of non-certified vapor products.

## Estimated Impact

We assume that the AG would set a sufficient fee to cover its costs in overseeing the sale of vapor products, thereby resulting in no General Fund cost.

The AG could further generate some revenues from penalties imposed on those selling non-certified vapor products.

The AG has not yet responded to a request for their estimate of the fiscal impact of the bill.

## Analysis

Statute defines a vapor product as a "noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element, battery or circuit, regardless of shape or size, that can be used to heat a liquid nicotine solution contained in cartridges." According to the U.S. Food and Drug Administration, as of January 2024, there are 23 e-cigarette products authorized by the FDA to be sold in the U.S. We lack data necessary to estimate the number of products with pending FDA approvals that are currently available for sale in Arizona.

The bill allows the AG to assess an application fee to vapor product manufacturers for each vapor product certified by the AG, and specifies civil penalties charged to sellers of non-certified vapor products, as well as the manufacturer of those sold products. The bill requires all monies collected from these fees and penalties to be deposited into the Vapor Product Fund. The bill establishes the fund for the AG to use to enforce the requirements of the bill.

The bill requires the AG to certify products approved to be sold by the FDA, to maintain a directory of certified products on their website, and to investigate violations of the vapor product certification requirements. These new responsibilities may incur additional costs to the agency. We have requested an estimate from the AG of the implementation costs of this bill.

## Local Government Impact

None

2/16/24

