BDR 40-171
AB 294

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 29, 2023

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Personnel (Expense)		$440,282	$607,642	$1,215,284
In-State Travel (Expense)		$4,783	$6,378	$12,756
Operating Expenses (Expense)		$270,018	$272,528	$545,056
Equipment (Expense)		$9,216		
Information Services (Expense)		$12,470	$7,900	$15,800
AG Cost Allocation Plan (Expense)		$25,376	$12,749	
Total	0	$762,145	$907,197	$1,788,896

Explanation (Use Additional Sheets of Attachments, if required)

This bill prohibits the sale of certain flavored tobacco products and flavoring agents for tobacco products; prohibits the sale of cigarettes to certain persons; requires annual inspections of locations that sell certain tobacco, vapor products and other nicotine products; prohibits the sale and eliminates the tax on cigarettes in future years; requires certain insurers to cover certain services for ceasing the use of tobacco; and provides for penalties.

This bill will require the Department to increase statewide enforcement by conducting more location inspections and account audits. It is anticipated that there will be an increase in license revocations, product seizure, and appeals. Additional personnel is needed in order to administer the bill and provide internal and external customer support. This request is for two Compliance Audit/Investigator II positions in Las Vegas, two Compliance Audit/Investigator II positions in Carson City, one Management Analyst II in Carson City, one Legal Secretary II in Las Vegas, and one IT Technician V in Carson City, and associated operating costs, including a specialty fleet services monthly rental vehicle, beginning in October 2023. This request also funds an increase to the Department's AG Cost Allocation due to an increase in services.

The Department will incur recurring expenses as follows each biennium: Personnel of $1,215,284; In-State Travel of $12,756; Operating Expenses of $545,056; and Information Services of $15,800 including required EITS Assessment costs (phone, productivity suite, etc). The expense for Equipment in FY24 is $9,216 and one-time in nature. Finally, there will be an increased expense for the Attorney General (AG) Cost Allocation Plan in the amount of $25,376 in FY24 and $12,749 in FY25. This expense will not recur after FY25. There will be a revenue impact to future biennia however the revenue impact cannot be determined at this time.

Name Adriane Roberts-Larson

Title Deputy Executive Director - Administrative Services

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, March 29, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

FN 7531