

Previous versions of the bill appropriated \$160,000 from the Tobacco Settlement Fund for the position in fiscal year 2027 and 2028, and required the position to be funded out of DLL’s budget starting in fiscal year 2029 (though the position was stripped out before it passed the Senate). The revenue that could be generated by the bill is a bit tricky because it would come from two different activities, which could fit differently into DLL’s budget. The table below is in the fiscal note and has information about the various fee changes in the bill.

	Approximate Total Number of Licensees	Current Law Fee Amount	Current Law Fee Revenue	Proposed Fee Amount	Proposed Fee Revenue	Difference
Tobacco License	780; of which 730 have no assessed fee under current law	\$110	\$5,500	\$150	\$117,000	\$111,500
Tobacco Substitute Endorsement	520	\$50	\$26,000	\$75	\$39,000	\$13,000
Subtotal Tobacco Retailer Licenses (FY 2027)			\$31,500		\$156,000	\$124,500
Wholesale Licenses	40	\$0	\$0	\$1,245	\$49,800	\$49,800
Total License Changes (FY 2028)			\$31,500		\$205,800	\$174,300

The changes to retailer tobacco licenses would not result in a substantial difference in administrative costs at DLL – they are already issuing those licenses but are not charging retailers a fee if they have a liquor license. So, the approximate \$125,000 generated by the proposed changes to retailer licenses is additional revenue. Wholesale licenses are a different story. Since DLL will be newly taking over licensing of wholesale tobacco dealers in fiscal year 2028, they may incur additional administrative costs, so the additional \$50,000 earned in fee revenue that fiscal year may not be available to fund an Investigator position.

JFO does not forecast changes in revenue resulting from fines and penalties, so we can’t say whether the position would be self-sustaining when it transitions to DLL’s base budget in fiscal year 2029. I’d also like to check with the Budget Team at JFO to see how this might work in fiscal year 2027 to make sure there aren’t any issues given that this position hasn’t been included.