



Fiscal Note
1st Sub. H.B. 265 (Buff)
 2026 General Session
 Non-nicotine Inhalation Product
 Amendments - As Amended
 by Thompson, Jason E.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$0	\$0	\$0

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2026	FY 2027	FY 2028
Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account (GFR)	\$0	\$(40,000)	\$(40,000)
Total Revenues	\$0	\$(40,000)	\$(40,000)

Enactment of this legislation may impact revenues to the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account by an ongoing decrease of \$(40,000) beginning in FY 2027. Violators may pay up to \$6,000 per infraction to the Department of Health and Human Services; however, the exact quantity is unknown. To the extent that more people are convicted as a result of this legislation and pay their financial obligation, this could increase state revenue per case up to the following amounts: (1) General Fund \$290; (2) Court Security \$38.

Expenditures	FY 2026	FY 2027	FY 2028
Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account (GFR), One-time	\$11,700	\$0	\$0
Total Expenditures	\$11,700	\$0	\$0

Enactment of this legislation may cost the Tax Commission \$11,700 one-time in FY 2026 from the Electronic Cigarette Substance and Nicotine Product Proceeds Restricted Account for system programming.

	FY 2026	FY 2027	FY 2028
Net All Funds	\$(11,700)	\$(40,000)	\$(40,000)

Local Government

UCA 36-12-13(2)(c)

Violators may pay up to \$6,000 per infraction to a local health department; however, the exact quantity is unknown. Enactment of this legislation could increase revenue to local governments by up to \$1,672 per case for fines/fees. Local government entities could experience the following estimated expenditures: 1. Prosecutors - \$812 per case; 2. Public Defense - \$975 per case; 3. County Jails -

unknown increase at about \$83 per day per offender in incarceration costs; 4. Local Justice Court - unknown increase.

Individuals & Businesses

UCA 36-12-13(2)(c)

Violators may pay up to \$6,000 per infraction to a local health department; however, the exact quantity is unknown. Non-nicotine inhalation product businesses and/or user will pay (\$40,000) annually less in taxes. To the extent that individuals violate provisions of this legislation, this could cost certain offenders up to \$2,000 per misdemeanor case, however the total amount is unknown.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation could result in a small increase in the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

Notes on Notes

Fiscal explanations estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal explanation is not an appropriation. The Legislature decides appropriations separately.