

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 360 - HB 1284

March 5, 2019

**SUMMARY OF ORIGINAL BILL:** : Expands the *Prevention of Youth Access to Tobacco and Vapor Products Act* to prohibit the sale or distribution of smoking hemp products to, or purchase of smoking hemp products on behalf of, persons under 18 years of age.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (004554):** Deletes the provisions of the original bill in Sections 1 and 4 regarding the definition of hemp including hemp-derived products that are in a topical or ingestible consumer product.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The Department of Agriculture (DOA) is charged with enforcing the *Prevention of Youth Access to Tobacco and Vapor Products Act*.
- Pursuant to Tenn. Code Ann. 39-17-1509(a), the DOA is required to enforce the Act in a manner that may reduce the extent to which tobacco or smoking hemp products, pursuant to this legislation, are sold or distributed to persons under 18 years of age, and is required to conduct random, unannounced inspections where such products are sold or distributed to ensure compliance with this Act.
- According to the Tennessee Fuel and Convenience Store Association, there are approximately 6,000 retail outlets that offer tobacco products for sale in Tennessee.

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- It is assumed that the majority of retail outlets that offer tobacco products for sale are exclusive of retail outlets that sell hemp.
- With approximately 25 stores currently selling hemp, exclusive of current tobacco stores that the DOA already inspects, it is assumed that the current staffing of the DOA will be sufficient to inspect these stores.
- The proposed legislation does not add smoking hemp to the tobacco tax law.
- Further, based on research of the Fiscal Review Committee staff, retail sales of hemp to persons under 18 years of age under current law are assumed to be minimal. Therefore, any impact on state and local tax collections is estimated to be not significant.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The proposed legislation does not change signage requirements of the Act.
- Sales to persons under 18 years of age are assumed to be minimal under current law. Therefore, any impact on jobs and commerce in Tennessee is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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