



FISCAL NOTE

House Bill 8

Committee: ENACTED

Sponsor: Representative Barbara Drummond

Analyst: Tiffany Weaver

Date: 12/09/2025

House Bill 8 (Act 2025-403) as enacted the House of Representatives would increase the obligations of the Alcoholic Beverage Control (ABC) Board by: (1) a board-estimated minimum of \$805,000 annually for personnel and other costs associated with inspection of electronic nicotine delivery systems, e-liquids, and alternative nicotine products at permitted locations and to seize contraband, and (2) an undetermined amount for increased secured storage space for seized contraband. However, these obligations would be offset, in whole or in part, by: (1) an estimated minimum of \$1,275,000 annually in new receipts to the Tobacco Licensing and Compliance Fund, created by this bill in the State Treasury for operational costs and prevention education, from the collection of a \$50 one-time filing fee, \$150 annual permit fee, \$1,000 specialty retailers license fee and a \$50 transfer fee, as provided by this bill, for the approximately 8,500 distributors currently permitted by the ABC Board; (2) any receipts from new and increased fines, penalties, and fees levied by this act; and (3) a fee to destroy electronic nicotine delivery systems that are seized, in an amount that would cover the increased obligations to destroy these systems. All of these fees, fines, and penalties will be deposited into the Vaping License and Enforcement Fund and will be distributed as follows:

Agency/Entity	Amount
ABC Board / Licensing and Compliance Division	40%
Alabama State Law Enforcement Agency	20%
State Board of Education	20%
Unified Judicial System	20%

This bill would also change the distribution of the existing e-liquid/alternative nicotine product manufacturer fees, after payment of expenses to the Department of Revenue, as follows:



Distribution	Current	This Bill
State General Fund	66.6%	50%
Alabama State Law Enforcement Agency	16.66%	25%
ABC Board /Tobacco Licensing and Compliance Fund	16.66%	25%

For Fiscal Year 2024, \$12,500 was collected from these fees.

This bill will also increase the obligations of the State Board of Education by an undetermined amount to adopt a model policy to establish a vaping awareness, education, and prevention program to use in K-12 schools. This bill would also increase the obligations of the Unified Judicial System by an undetermined amount to provide a nonresidential addiction or substance abuse rehabilitation course to those under 19 years old that violate this act. .

This bill could also increase receipts to the State General Fund and municipal general funds from fines; increase receipts to the State General Fund, county general funds, municipal general funds, and other funds to which court costs are deposited; and could increase the obligations of the State General Fund, district attorneys, and the local jails by an amount dependent upon the number of persons charged with and convicted of the offenses provided by this bill and the penalties given.