BILL: SENATE SUBSTITUTE NO. 1 TO SENATE BILL NO. 25
SPONSOR: Senator Townsend
DESCRIPTION: AN ACT TO AMEND TITLE 11, TITLE 16, AND TITLE 30 OF THE DELAWARE CODE RELATING TO DELIVERY AND SALES OF TOBACCO PRODUCTS.

Assumptions:

1. This Act becomes effective upon signing by the Governor.

2. This Act restricts access to tobacco products and tobacco substitutes to individuals under age 21 by:
   a) Prohibiting the sale of tobacco products or tobacco substitutes to individuals who are under 21.
   b) Imposing a civil penalty for sales to individuals between the ages of 18 and 21.
   c) Repealing the ability of a parent or guardian to purchase tobacco products or tobacco substitutes for a minor.
   d) Prohibiting individuals under age 21 from entering vapor establishments.

3. The Delaware Economic and Financial Advisory Council's December 2018 forecast for Fiscal Year 2020 cigarette tax revenue was $131.1 million. The Department of Finance estimates that roughly one-half of this revenue is generated from cross-border sales and activity, thereby approximately $65.5 million is related to Delaware resident sales.

4. The American Journal of Public Health’s 2014 report on the Retail Impact of Raising Tobacco Sales Age to 21 Years indicated that raising the tobacco sales minimum age to 21 years (across the US) would decrease sales by approximately 2.0%.

5. Fiscal Year 2021 assumes a continued decline in cigarette sales of roughly one-third of the Act’s first year impact combined with the overall downward trend in cigarette sales revenue.

6. The Estimated Revenue loss for Fiscal Year 2020 has been incorporated into the Fiscal Year 2020 Governor’s Recommended Financial Plan.

Est Revenue Loss:

Fiscal Year 2020: $1.3 - $1.4 million
Fiscal Year 2021: $2.3- $2.4 million

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