

February 10, 2025

The Honorable Tom Kessler, Chairperson
House Committee on Federal and State Affairs
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Kessler:

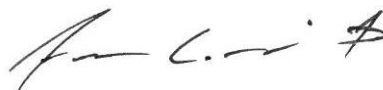
SUBJECT: Fiscal Note for HB 2094 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2094 is respectfully submitted to your committee.

HB 2094 would authorize the sale of electronic cigarettes in cigarette vending machines. The bill would amend the definition of “wholesale dealer” to allow individuals to be able to sell electronic cigarettes to other wholesale dealers, retail dealers, vending machine operators, and manufacturer’s salespersons.

The Department of Revenue indicates over 400 consumable material distributors would now have to become a “wholesale dealer” in order to continue doing business in Kansas. The Department states the license fee is \$50 for every two years and could result in additional revenue of \$20,000 (400 distributors x \$50 license fee). The Department is unable to estimate a fiscal effect from increased sales for electronic cigarette dealers and retailers, but the Department notes any increased sales could provide additional revenue from the electronic cigarette tax and sales tax. The Department states enactment of the bill would increase expenditures by \$82,278, along with an additional 1.00 FTE position in FY 2026 to implement the bill’s provisions. Any fiscal effect associated with HB 2094 is not reflected in *The FY 2026 Governor’s Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue