

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

Revision 1

May 1, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB9 by Crownover (Relating to the elimination of smoking in all workplaces and public places; providing penalties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill prohibits smoking in public places, places of employment, seating areas of outdoor events, bleachers or grandstands for use by spectators at a sporting or other public event, and within 15 feet of an entrance, operable window, or ventilation system of a public place or place of employment; exceptions are provided. The Department of State Health Services (DSHS) is authorized to engage in a program to educate the public about the provisions of the newly created Chapter 169, Health and Safety Code. The bill allows a person in control of an establishment, facility, or outdoor area to declare it a nonsmoking place in its entirety. Persons in control of a public place or a place of employment must clearly post signage indicating smoking is prohibited, remove all ashtrays from areas where smoking is prohibited, and make a reasonable effort to request that persons smoking in prohibited areas cease doing so. DSHS, another state agency, or a political subdivision of the state is authorized to enforce the chapter and to enter and inspect public places in the course of enforcement. Complaints regarding violations of the chapter may be filed with DSHS or a political subdivision of the state. The Attorney General or a district, county, or city attorney may bring an action for injunctive relief to enforce the chapter. The bill establishes offenses and penalties for violation of the provisions of the chapter. The comptroller is prohibited from issuing permits for the sale of tobacco products to the holder of an alcoholic beverage permit or license unless the alcoholic beverage permit was issued before May 15, 2007 and the comptroller determines that the applicant's sales of tobacco products exceed 25 percent of the applicant's gross sales.

DSHS indicates that any costs related to education, complaints, and enforcement can be absorbed within available resources. The Office of the Attorney General indicates that the cost of any additional legal work could be reasonably absorbed with current resources. The Office of the Comptroller of Public Accounts indicates no significant impact to state revenues from the new requirements related to permits for the sale of tobacco products.

Local Government Impact

There would be costs to local governments to implement the provisions of the bill, mostly consisting of purchasing and installing signage in public places to inform citizens of the ban. The Texas Association of Counties estimated that a sign could range in cost from \$10 to \$50, depending on materials, size, and other factors. There would also be ongoing costs to replace signs that are broken, worn, stolen, or otherwise put out of commission.

There would be costs to local law enforcement to enforce the ban, but this would depend on the number of offenders. Some, but not all, of the costs would be recovered from the fines imposed on offenders.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, JRO, PP, LR