

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 29, 2007

TO: Honorable David Swinford, Chair, House Committee on State Affairs

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

IN RE: HB1165 by Gallego (Relating to fire safety standards for cigarettes; providing civil penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Executive Commissioner of the Health and Human Services Commission (HHSC) to adopt rules relating to fire safety standards for cigarettes for sale in this state. HHSC indicates there would not be a significant fiscal impact to the agency to adopt rules.

The bill would prohibit a person from selling, giving, or directing the sale or gift of a cigarette unless the manufacturer has certified that it meets the performance standards adopted by the Executive Commissioner. The bill would provide for civil penalties for wholesalers, retailers, and manufacturers. Penalties would be deposited to the cigarette fire safety account in the General Revenue Fund, which is created by the bill, for administration and fire safety and education programs. It is assumed there would not be a significant revenue impact from civil penalties. Additionally, the Comptroller of Public Accounts indicates there would not be a significant revenue impact due to new fire safety standards for cigarettes.

The Office of the Attorney General (OAG) would be authorized to collect civil penalties. The OAG indicates the bill would not have a significant fiscal impact on the agency.

The bill would require the Department of State Health Services (DSHS), with the assistance of local law enforcement agencies, to administer the requirements of the bill. DSHS would be authorized to enter into an interagency contract with the Comptroller of Public Accounts for enforcement. DSHS indicates the bill would not have a significant fiscal impact on the agency. It is assumed the enforcement of cigarette fire safety standards could be integrated into the current enforcement activities of the Office of the Comptroller with no significant fiscal impact to the agency.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: JOB, KJG, SSt