

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB448 by Uresti (Relating to the distribution, possession, purchase, consumption, and receipt of tobacco products.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB448, As Introduced: a negative impact of (\$3,825,000) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$1,719,000)
2009	(\$2,106,000)
2010	(\$1,833,000)
2011	(\$1,935,000)
2012	(\$1,685,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>Property Tax Relief Fund</i> 304
2008	(\$1,719,000)	(\$2,265,000)
2009	(\$2,106,000)	(\$2,789,000)
2010	(\$1,833,000)	(\$2,364,000)
2011	(\$1,935,000)	(\$2,509,000)
2012	(\$1,685,000)	(\$2,121,000)

Fiscal Analysis

The bill would amend the Health and Safety Code as it relates to the distribution, possession, purchase, consumption, and receipt of tobacco products.

The bill would increase the legal age for sale, distribution, possession, purchases, consumption, or receipt of cigarettes or other tobacco products. Under current law, the legal age is 18. The bill would increase the legal age to 19.

The bill would also establish age and residence verification requirements relating to the shipment and delivery of cigarettes.

The bill would take effect September 1, 2007 and would apply only to an offense committed on or

after the effective date of the bill. The bill provides an exception for persons 18 years of age or older on September 1, 2007. The later provision would expire September 1, 2008.

Methodology

The Comptroller of Public Accounts estimates that the provisions of the bill would result in a 20 percent reduction in the sale of cigarettes and tobacco products to the estimated 19 percent of 18 year olds who smoke. The Comptroller of Public Accounts estimates this reduction would result in a loss in revenues to the state.

The Department of State Health Services estimates that any cost associated with the provisions of the bill could be absorbed with existing resources.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 537 State Health Services, Department of

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