

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 13, 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.), **Committee Report 1st House, Substituted**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for SB448, Committee Report 1st House, Substituted: a negative impact of (\$3,825,000) through the biennium ending August 31, 2009.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue Gain/(Loss) from Property Tax Relief Fund 304</b>
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.

## **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

**LBB Staff:** JOB, CL, PP, SJ