

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

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

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

**IN RE: SB1049** by Uresti (Relating to the distribution, possession, purchase, consumption, and receipt of tobacco products; providing penalties.), **As Introduced**

**The bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of \$12,539,000 for the 2010-11 biennium. Any loss to the Property Tax Relief Fund will have to be made up with General Revenue of the same amount to fund property tax relief.**

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Property Tax Relief Fund</i> <b>304</b>
2010	(\$5,819,000)
2011	(\$6,720,000)
2012	(\$6,234,000)
2013	(\$6,913,000)
2014	(\$6,425,000)

**Fiscal Analysis**

The bill would amend the Health and Safety Code and increase the legal age to 19 years of age for the sale, distribution, possession, purchase, consumption, or receipt of cigarettes or tobacco products.

**Methodology**

The Comptroller of Public Accounts indicates that the bill would reduce the use of tobacco products by 18 year-old Texans by 20 percent, and as a result, the estimates for the cigarette tax and cigar and tobacco products tax by \$5,819,000 in fiscal year 2010 and by \$6,720,000 in fiscal year 2011 in the Property Tax Relief Fund No. 0304. Similar reductions would occur for the remaining fiscal years.

## **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, SD, JM, DB