

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 9, 2015**

**TO:** Honorable Myra Crownover, Chair, House Committee on Public Health

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB170** by Alvarado (Relating to regulation of vapor products; authorizing fees; creating offenses; providing a penalty.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill could generate additional revenue depending on fees collected from advertising sales, which cannot be estimated. The bill would result in an increase in general revenue from fees collected from vapor product manufacturers, which is not expected to be significant.

The bill would amend Chapter 161 and Chapter 796, Health and Safety Code to treat vapor products in the same manner as cigarettes as they relate to distribution, advertising, use by minors, prevention of use by minors, delivery sales, disclosure of ingredients, and fire safety standards. The bill would amend Chapter 28, Education Code to require school districts to publish information regarding policies relating to the use of vapor products. The bill would amend Chapter 38, Education Code and Chapter 48, Penal Code to treat vapor products in the same manner as cigarettes as they relate to use and possession at school-related activities and use in public places.

Based on information provided by the Department of Insurance, it is assumed that all administration and inspection activities necessary to implement the bill could be accomplished within existing resources. The Department of State Health Services indicates any cost to implement provisions of the bill relating to use by minors would be minimal and can be absorbed within available resources. The Comptroller of Public Accounts estimates there would be a cost associated with implementing provisions of the bill that would require it to update, print, and mail Texas Guidelines for Retail Tobacco Sales packets. It is anticipated that the cost could be absorbed within existing resources.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **Local Government Impact**

A Class C misdemeanor is punishable by a fine of not more than \$500. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact. In addition to the fine, punishment can include up to 180 days of deferred disposition.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 411 Commission on Fire Protection, 454 Department of Insurance, 537 State Health Services, Department of, 701 Central Education Agency

**LBB Staff:** UP, NB, WP, ADe, VJC, NHe, JBi, KVe