

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

February 10, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB97 by Hinojosa (Relating to regulation of the sale, distribution, possession, use, and advertising of vapor products; authorizing a fee; creating offenses.), **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 amend Chapter 161, Health and Safety Code and Chapter 48, Penal 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, and use in public places.

The Department of State Health Services indicates any cost to implement provisions of the bill relating to distribution, use by minors, or prevention of 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

The bill would modify Class C misdemeanor offenses. 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: 304 Comptroller of Public Accounts, 537 State Health Services,
Department of, 701 Central Education Agency

LBB Staff: UP, NB, WP, ADe, LCO, VJC, KVe