

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2159-01
Bill No.: SB 598
Subject: Children and Minors: Tobacco Products
Type: Original
Date: March 27, 2001

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|------------------|-------------------|-------------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| Highway | (\$8,526) | (\$10,233) | (\$10,233) |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | (\$8,526) | (\$10,233) | (\$10,233) |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------------------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| Local Government | (LESS THAN \$100,000) | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health**, the **Department of Mental Health - Division of Alcohol and Drug Abuse (DMH _ ADA)**, the **Office of State Public Defender**, and the **Department of Social Services** assume this proposal would not fiscally impact their agencies. DMH -ADA officials did note that if the proposal passes they might have to obtain a waiver from the Attorney General's office to allow inspections conducted by minors for compliance to the Federal Synar bill.

Officials from the **Office of Prosecution Services** estimated that costs to prosecutors should be less than \$100,000 in a given year. **Oversight** assumes increased costs to individual prosecutors would, if necessary, become county budget issues.

Officials from the **Department of Elementary and Secondary Education (DES)** assume this proposal would not fiscally impact their agency. DES states that they would expect a cost of less than \$100,000 in FY2002 for school districts for signs in the public elementary schools.

Officials from the **Office of State Courts Administrator (CTS)** state the proposal would prohibit persons less than eighteen years of age from possessing or purchasing tobacco products. There would be penalties assessed including fines, community service, and the suspension of the driver's license. The court would be ordered to direct the Department of Revenue to withhold issuance of or suspend the driver's license. Penalties increase with multiple violations. There would be specific charge stipulated for these violations. Depending on the degree of enforcement, there could be a significant increase in the workload of the courts. However, CTS does not have a way of weighing that against the compliance that may occur over time, and therefore cannot provide a specific estimate of the cost of that increase at this time.

Officials from the **Department of Revenue (DOR)** state that upon conviction and notification from the court, DOR would suspend the driving privilege of an individual under the age of 18 for misrepresenting their age in order to purchase tobacco products. DOR states that for a first offense, the court can either impose a twenty-five dollar fine and require sixteen hours of community service or order the suspension of the individual's driving privilege for a period of ten days. On a second offense, the court can either impose a fifty dollar fine and require twenty-five hours of community service or order the suspension of the individual's driving privilege for a period of thirty days. On a third or subsequent offense, the court can either impose a one-hundred dollar fine and require fifty hours of community service or order the suspension of the individual's driving privilege for a period of six months.

ADMINISTRATIVE IMPACT

GVB:LR:OD (12/00)

ASSUMPTION (continued)

DIVISION OF MOTOR VEHICLE AND DRIVER LICENSING
Drivers License Bureau

The Driver and Vehicle Services Bureau (formerly the Drivers License Bureau) assumes this proposal would affect any individual who is at least 15 years of age and not older than 18 years of age. The assumption uses 15 as the minimum age because that is the age of eligibility for a temporary instruction permit (as of January 1, 2001).

The Drivers and Vehicle Services Bureau obtained information from the Department of Health regarding school age tobacco use. This data was compared with school enrollment data obtained from the Department of Elementary and Secondary Education. Based on the evaluated data, the Drivers License Bureau estimates that 66,655 students between the ages of 15 and 17 use tobacco products. The Drivers and Vehicle Services Bureau estimates that they would receive court orders to suspend 2.5% of these individuals. This would result in the receipt of 1,700 court orders requiring suspension of driving privileges.

The Drivers and Vehicle Services Bureau would require 4 hours of overtime per day for a Clerk Typist II position in order to process this documentation. The processing would include verifying the information, creating computer records, mailing notices of suspension, microfilming documentation, responding to correspondence and telephone calls, and reinstating driving privileges. Additional postage for notification of suspension and subsequent reinstatement could be controlled with existing budgetary resources.

State Data Center costs for the proposal would be \$4,500.

Oversight assumes that over time the combination of increased fines, suspension of driver's license, and signs placed in elementary schools would result in fewer violations and any impact on revenues in the form of increased fines would likely be minimal. Therefore, no revenue impact to the state or local governments, due to fines, is reflected in the fiscal note.

| <u>FISCAL IMPACT - State Government</u> | FY 2002 | FY 2003 | FY 2004 |
|---|-------------------------|--------------------------|--------------------------|
| | (10 Mo.) | | |
| HIGHWAY FUND | | | |
| <u>Cost - Department of Revenue (DOR)</u> | | | |
| Overtime | (\$8,526) | (\$10,233) | (\$10,233) |
| ESTIMATED NET EFFECT ON | <u>(\$8,526)</u> | <u>(\$10,233)</u> | <u>(\$10,233)</u> |
| HIGHWAY FUND | | | |

| <u>FISCAL IMPACT - Local Government</u> | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
|---|---|-------------------|-------------------|
| SCHOOL DISTRICTS | | | |
| <u>Costs - Signs</u> | (Less than \$100,000) | \$0 | \$0 |
| ESTIMATED NET EFFECT ON SCHOOL DISTRICTS | <u>(LESS THAN \$100,000)</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit minors from possessing tobacco products. It would require each judicial circuit to establish an anti-tobacco peer court to assist in enforcing the proposal. It contains penalty provisions.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of State Courts Administrator
Office of Prosecution Services
Department of Revenue
Department of Mental Health
Department of Social Services
Office of State Public Defender



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Director
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