

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 45** HLS 19RS 457

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 12, 2019 3:40 PM	<b>Author:</b> TALBOT
<b>Dept./Agy.:</b> Department of Revenue - ATC	<b>Analyst:</b> Monique Appeaning
<b>Subject:</b> Certain fines for selling tobacco, and/or related products	

CRIME OR INCREASE SG RV See Note Page 1 of 1  
Provides for fines associated with selling tobacco, alternative nicotine, or vapor products to persons under the age of 18

Proposed law retains present law for the under-age buyers and provides for increased fines for sellers who violate present law: For a first violation - a fine of up to \$500, for a second violation - a fine of up to \$1,000, and for a subsequent violation - a fine of up to \$2,500.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

Proposed law increases the amount of the fines imposed on those persons who illegally sell tobacco products, alternative nicotine products, or vapor products to not more than \$500 for the first violation, not more than \$1,000 for the second violation, and not more than \$2,500 for any violation, thereafter.

In 2018, ATC collected approximately \$200,000 in tobacco fines assessed on those selling products to persons under the age of 18. The fines collected cannot be broken down by the first, second, third or fourth violation. However, this proposed law increases the amount of each of the fines for the first, second, and third violations by a multiple of 10. Therefore, to arrive at an estimated increase in collections ATC assumed that all fines collected in FY 2018 were for a first, second, or third violation and that the number of fines and the offense level of each fine remain constant. Under these assumptions, the estimated increase in fines is approximately \$1,800,000 ((\$200,000 x 10) - \$200,000). This amount is likely overstated because the amount of the fines increase significantly, which is likely to cause increased compliance resulting in fewer fines. ATC was not able to quantify this effect.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**