



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB0121
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Title:	Provide for direct shipment license for tobacco sales
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Primary Sponsor:	Beard, Becky
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Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
Expenditures:				
General Fund	\$11,050	\$0	\$0	\$0
State Special Revenue	\$8,000	\$8,000	\$8,000	\$8,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$8,000	\$8,000	\$8,000	\$8,000
Net Impact-General Fund Balance:	(\$11,050)	\$0	\$0	\$0

Description of fiscal impact: This bill imposes a \$400 annual direct shipment license fee on a person, other than a licensed wholesaler or retailer, who accepts purchase orders for tobacco product sales. Revenue generated will be used to fund local grants for youth tobacco prevention programs. There will be one-time IT costs incurred by the Department of Revenue associated with setting up the license fee.

FISCAL ANALYSIS

Assumptions:

1. The Department of Revenue estimates 20 annual direct shipment licenses will be filed per year at \$400 per license and would generate \$8,000 per year for FY 2020 through FY 2023.
2. There will be a one-time IT application expense of \$11,050 in FY 2020.
3. Per Section 6, the revenue generated from Section 1 must equal the amount spent on tobacco use prevention or cessation programs administered by the Department of Public Health and Human Services (DPHHS). DPHHS would provide local youth tobacco prevention mini-grants.

Fiscal Note Request – As Introduced

(continued)

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$11,050	\$0	\$0	\$0
Grants	\$8,000	\$8,000	\$8,000	\$8,000
TOTAL Expenditures	<u>\$19,050</u>	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$11,050	\$0	\$0	\$0
State Special Revenue (02)	\$8,000	\$8,000	\$8,000	\$8,000
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$19,050</u>	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$8,000	\$8,000	\$8,000	\$8,000
TOTAL Revenues	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$11,050)	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

TL

Budget Director's Initials

1/15/19

Date