



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0667	Title:	Revise tobacco tax allocation for state veterans' nursing homes
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Primary Sponsor:	Marshall, Ron	Status:	As Introduced
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- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$100	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$100)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 667 changes the distribution of cigarette tax revenue. This bill includes a \$100 appropriation from the general fund to the Department of Revenue but has no other fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

1. HB 667 changes the distribution of cigarette tax revenue, increasing the minimum amount to the state special revenue fund for the operation and maintenance of state veterans' nursing homes.
2. The current distribution to this fund is 8.3% of cigarette tax revenue or \$2 million, whichever is greater. HB 667 increases the \$2 million minimum to \$4 million.
3. Total cigarette tax collections for FY 2020 were \$63.5 million, and the 8.3% distribution was \$5.3 million so the \$4 million minimum would not have come into effect.

4. The \$4 million minimum would not come into effect unless cigarette tax revenue drops below \$48.2 million. That level of revenue is not forecast to happen in the forecast period so this change would not have an impact on distributions.
5. This bill appropriates \$100 to the department in FY 2022 for administrative and computer programming expenses associated with this bill.
6. The Department of Revenue does not expect to incur any additional costs because of this bill.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Transfers	\$100	\$0	\$0	\$0
TOTAL Expenditures	<u>\$100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$100	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$100)	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. The appropriation to the department is unnecessary because the department does not expect to incur additional costs because of this bill.
2. With the change from \$2 million to \$4 million in Section 1 (2)(a), it is unclear if the \$2 million in Section 1 (3) should also be changed to \$4 million.


Sponsor's Initials

3-26-21
Date


Budget Director's Initials

3/25/21
Date