

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 757 (Senator Trotter, et al.)
Judicial Proceedings

Tobacco Products - Sale to and Access by Minors

This bill requires a person who sells or distributes tobacco products to require photo identification for any individual purchasing a tobacco product, if there is reasonable cause to believe that the individual is under the age of 21.

The bill also provides that an owner of a tobacco product vending machine or any other person exercising control over a tobacco product vending machine may be found in violation of the law prohibiting the sale of tobacco products to minors. Under this bill a person may only sell cigarettes through a vending machine if (1) the machine is placed at least 25 feet from the entrance to the establishment or is directly visible to the owner or employee of the establishment; or (2) the machine is operated with a token or card that can be obtained only from the owner or an employee of the establishment.

Monetary penalty provisions are included.

Fiscal Summary

State Effect: Indeterminate impact on revenues. No effect on expenditures.

Local Effect: None.

Fiscal Analysis

State Revenues: Approximately 363.4 million packs of cigarettes are expected to be sold in Maryland in fiscal 1997. To the extent that this bill leads to a decrease in cigarette sales to minors, general fund revenues from the tobacco excise tax and sales tax could decline. By way of illustration, for each 1% of sales which are lost, general fund revenues would decline approximately \$1.2 million (\$967,800 in excise tax and \$243,500 in sales tax) in fiscal 1997,

which reflects the bill's October 1, 1996 effective date, and \$1.6 million on an annualized basis. In the out-years, the amount of revenue loss would decrease by 3% annually.

General fund revenues could also increase under the bill's monetary penalty provisions for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

Information Source(s): Office of the Comptroller (Alcohol and Tobacco Tax Unit), Department of Fiscal Services.

Fiscal Note History: First Reader - March 1, 1996

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