

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 768 (Howard County Delegation)
Environmental Matters

Howard County - Sales of Tobacco Products
Ho. Co. 3-96

This bill authorizes Howard County to regulate the sale of cigarettes and other tobacco products. A county license or permit may be required for the sale of tobacco products. The county may provide for the suspension and regulation of licenses or permits, and may establish civil and criminal penalties not exceeding a fine of \$1,000 or imprisonment for six months.

Fiscal Summary

State Effect: Potential indeterminate effect on general fund revenues and increase in expenditures as discussed below.

Local Effect: Potential indeterminate revenue and expenditure increase as discussed below.

Fiscal Analysis

State Revenues: To the extent that Howard County regulation causes a decline in cigarette consumption, excise tax and sales tax revenues would decline accordingly. Any such revenue loss is assumed to be minimal.

If Howard County establishes penalties, general fund revenues could increase under the bill's criminal monetary penalty provision for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

State Expenditures: If Howard County establishes penalties, general fund expenditures could increase as a result of the bill's incarceration penalty due to increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The

State reimburses counties for part of their per diem rate after a person has served 90 days. State per diem reimbursements for fiscal 1997 to Howard County are estimated to total \$40 per inmate.

Local Revenues: Revenues would presumably increase should Howard County choose to regulate tobacco through license fees. This increase would depend on the number of licenses issued and the license fee and any other fees charged, which cannot be determined at this time.

Revenues could increase under the bill's monetary penalty provisions, depending upon the number and amount of fines imposed.

Local Expenditures: Expenditures could increase should Howard County choose to regulate tobacco. Any expenditure increase would depend on the mechanisms used to regulate tobacco, which cannot be determined at this time.

Expenditures could increase as a result of the bill's incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of Howard County's detention facilities are expected to total \$80 per inmate in fiscal 1997.

Information Source(s): Howard County, Department of Fiscal Services

Fiscal Note History: First Reader - March 12, 1996

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