

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7182**

**BILL NUMBER: HB 1262**

**DATE PREPARED: Jan 7, 2000**

**BILL AMENDED:**

**SUBJECT:** Limits tobacco sales to curfew hours.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill prohibits the retail sale and distribution of tobacco products except during the curfew hours for children ages 15 through 17. It exempts certain tobacco vending machines. The bill provides that the violation of this prohibition is a Class B infraction. It also provides that a judgment collected in an action to enforce this prohibition must be deposited in the Youth Tobacco Education and Enforcement Fund.

**Effective Date:** July 1, 2000.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill prohibits the sale of tobacco products during the following times.

Sunday-Thursday	5am-11pm
Friday	5am-1am (Sat.)
Saturday	5am-1am (Sun.)

If this bill causes tobacco consumers to either decrease the amount of tobacco they purchase or to shift their purchase to states bordering Indiana, the state would receive less revenue from tobacco taxes. The possible reduction in revenue is currently unquantifiable.

Cigarette taxes generated \$127,634,061 in revenue in FY1999. Cigarette tax revenue is distributed on a per pack basis to the following funds: the Cigarette Tax Fund (7/31), the Mental Health Center Fund (1/31), the State General Fund (1/31), and the Pension Relief Fund (9/31).

The bill makes it a Class B infraction to sell tobacco productions during the prohibited times. The maximum judgment for a Class B infraction is \$1,000. If court actions are filed and a judgment is entered, a court fee

of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. Civil penalties associated with a violation of this bill's provisions will be deposited in the Youth Tobacco Education and Enforcement Fund.

The Youth Tobacco Education and Enforcement Fund was established on July 1, 1999. The account is funded by civil penalties that result from violations of certain provisions related to minor's access to tobacco. The Alcoholic Beverage Commission began enforcing these provisions in September, 1999. As of January 4, 2000, approximately 82 citations have been issued. The Youth Tobacco Education and Enforcement Fund is expected to receive \$4,100 in penalties from these citations.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.(2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Alcoholic Beverage Commission.