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FISCAL IMPACT REPORT

SPONSOR: Beam DATE TYPED: 02/13/01 HB 318
 SHORT TITLE: Prevent Youth Access to Tobacco Products SB _____
 ANALYST: Rael

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
See Narrative					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Department of Health (DOH)
 Attorney General's Office (AGO)
 Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

The Prevent Youth Access to Tobacco Products bill would amend Section 30-49-7 NMSA 1978 to restrict access to purchase of tobacco by youth. The bill would require New Mexico retailers to remove tobacco products from self-service displays where they are easily accessible to children and teens. Retailers would be required to assist in all tobacco transactions. Vending machine sales would be permitted in locations not open to the public and in locations where minors are not permitted unless accompanied by a parent or guardian.

Significant Issues

The bill would deter many children and teens, especially younger individuals, from even attempting to buy tobacco products, since the would-be purchaser would have to ask the clerk for the products, resulting in face-to-face interaction with the store clerk. If a minor did attempt to make a purchase, the provisions in HB318 would substantially increase the chance that the store clerk would recognize that the minor was underage, would request identification, and would decline the sale. Second, HB 318 requirements would reduce underage shoplifting of tobacco products. A 1997 survey by the Food Marketing Institute found that tobacco products account for 41% of all items shoplifted in the U.S.

PERFORMANCE IMPLICATIONS

HB 318 requirements would also support the comprehensive approach to tobacco use prevention and cessation that the DOH has been charged to conduct by the New Mexico Legislature and the Tobacco Settlement Oversight Committee.

FISCAL IMPLICATIONS

There appears to be no fiscal impact in the short run for this bill.

However, tobacco use also imposes substantial economic costs on New Mexico. Smoking cost the state \$432 million in 1996, including \$170 million in health care costs and \$262 million in lost productivity from illness and premature death. In 1995, New Mexico spent \$48 million on treating Medicaid patients with smoking-related diseases [Centers for Disease Control and Prevention and Smoking Attributable Mortality, Morbidity and Economic costs (SAMMEC) data].

TECHNICAL ISSUES

The Alcohol and Gaming Division of the Regulation and Licensing Department is identified as the enforcement agency of the existing law that HB318 would amend. Since the Alcohol and Gaming Division does not currently enforce the law, it is unlikely that they would enforce the provisions in this amendment. Enforcement may need to be assigned to another state agency.

OTHER SUBSTANTIVE ISSUES

Over 45% of middle school age and 50% of high school age youth smoke cigarettes, many of whom will continue smoking into adulthood. Ease of access to tobacco for youth is a serious public health problem in the state. Strategies are needed to reduce youth access to tobacco products and prevent underage tobacco purchases and even shoplifting of tobacco products by minors. Making tobacco products less accessible to children and teens would also contribute significantly to reducing teen tobacco use and youth initiation.

Tobacco sales rates in New Mexico have fluctuated over the past five years. From 1996 to 2000, illegal sales to minors declined 68% (from 38% to 11.8%). The National Center for Tobacco Free Kids estimates that in New Mexico, 3.1 million packs of cigarettes are illegally sold to minors each year.

The provisions in HB 318 are closely modeled after an Albuquerque municipal ordinance adopted in October 1998. Implementation of the Albuquerque ordinance has gone smoothly, with most stores reporting that they found it easy and inexpensive to come into compliance, and that the ordinance has not resulted in lost tobacco sales to adults. Las Cruces has had a similarly positive experience with a similar ordinance enacted in April 2000. Over 180 communities in the U.S. have passed ordinances of this type.

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