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FISCAL IMPACT REPORT

SPONSOR Ferrary/Thomson/ McSorley **ORIGINAL DATE** 2/2/2018
LAST UPDATED _____ **HB** 253
SHORT TITLE Tobacco Use Prevention Programming **SB** _____
ANALYST Chenier

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$1,000.0	Recurring	Tobacco Settlement Program Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Responses were received from Department of Health for Senate Bill 195, a duplicate of House Bill 253.

SUMMARY

Synopsis of Bill

House Bill 253 appropriates \$1 million from the tobacco settlement program fund to the Department of Health to fund evidence-based tobacco use prevention and cessation programming statewide.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the tobacco settlement program fund. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

It is unclear if the proposed appropriation would be in addition to the \$5.4 million appropriation for tobacco cessation and prevention services already contained in the House Appropriations and Finance Committee substitute for House Bill 2 et. al. Section 6-4-9 NMSA 1978 requires half of the revenue distributed each year to the tobacco settlement permanent fund to be distributed to the tobacco settlement program fund. The current appropriation to the program fund from the permanent fund is \$18 million, and all of this revenue would be distributed to the various

beneficiaries including tobacco cessation and prevention programming at Department of Health.

SIGNIFICANT ISSUES

Department of Health provided the following:

In New Mexico (NM), tobacco use causes 2,630 deaths annually and more than 78,000 people suffer with at least one serious illness from smoking (<https://nmhealth.org/news/information/2017/6/?view=573>). In addition, cigarette smoking costs the state \$844 million in direct health care costs and \$597 million in lost productivity costs annually (www.tobaccofreekids.org/problem/toll-us/new_mexico).

Evidence-based statewide tobacco control programs that are comprehensive, sustained, and accountable have been shown to reduce smoking rates, as well as tobacco-related diseases and deaths.

Although the overall adult smoking rate is at a historic low of 16%, rates remain high among adults who are enrolled in Medicaid (28%), uninsured (25%), or living below the poverty level (23%). Higher than average smoking rates are also seen among adults who are gay, lesbian, or bisexual (22%), those without a high school diploma (25%), and African Americans (31%) ([2016 BRFSS](#)).

About one in three youth currently use some form of tobacco (including cigarettes, spit, hookah, cigars, and e-cigarettes). Tobacco use of any kind is much higher among 12th graders (41%), youth with a physical disability (41%), lesbian, gay, or bisexual youth (52%), and youth earning mostly D's and F's (59%) [[2015 YRRS](#)].

EC/jle