

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 2541
Version:	INT
Request Number:	8096
Author:	Rep. West (R)
Date:	2/19/2018
Impact:	DOC: revenue neutral

Research Analysis

HB 2541 would allow for the re-introduction of tobacco products into institutions and facilities under the control of the Department of Corrections to be sold by the canteen operations of each facility.

Prepared By: Brad Wolgamott

Fiscal Analysis

HB 2541 which deals with the re-introduction of tobacco in Oklahoma prisons, upon review by the Dept. of Corrections (DOC), is determined to have a revenue neutral impact or a possible slight revenue increase.

Regarding the revenue generated by the sales of tobacco products, DOC has provided the below amounts for the years they did sell these products in the canteen:

Oklahoma Department of Corrections
Tobacco and Related Item Sales
August 1, 2010 - July 31, 2012

	Smoking Tobacco	Non-Smoking Tobacco	Tobacco Related	Total
	Sales*	Sales*	Sales*	Sales*
8/10 - 7/11	1,489,427	363,688	31,413	1,884,529
8/11-7/12	1,401,192	330,204	53,289	1,784,685
Total	2,890,619	693,892	84,702	3,669,214

*Sales amount does not include sales taxes

Smoking Tobacco - rolled and bulk tobacco products

Non-Smoking Tobacco - smokeless tobacco products

Tobacco related products - misc. non-tobacco products (rolling papers, rolling machines, lighters...)

DOC states: "DOC sold tobacco products through the canteens from August 1, 2010 - July 31, 2012. Per DOC policy, inmates are limited on how much money they can spend based on their security level. Cigarettes or not, they are still going to spend the same amount each week: whether it's on potato chips, ramen noodles, or tobacco products."

Therefore, the fiscal impact to DOC is most likely revenue neutral.

For further information, please see the other considerations section below.

Prepared By: Kristina King

Other Considerations

DOC also states: “Removing tobacco products from canteen has not had a negative effect on the canteen’s income. The attached document provides tobacco sales from August 1, 2010 – July 31, 2012. Again, keep in mind that once they stop spending their money on tobacco they will start spending it on something else. Therefore, you can’t make an argument that putting tobacco back into canteens will increase income for ODOC.”

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