

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	SPAC	DATE TYPED:	2/15/00	HB	
SHORT TITLE:	Cigarette Enforcement Act			SB	491/SPACS
				ANALYST:	Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	N/A				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Public Affairs Committee Substitute for SB491 defines a number of unlawful sales practices and reporting requirements associated with the sale of cigarettes. Violations of the provisions would constitute a violation of the Unfair Practices Act (up to \$5,000 civil penalty under Section 57-12-11 NMSA 1978), would constitute a fourth degree felony (18 months imprisonment and up to \$5,000 criminal penalty under Section 31-18-15 NMSA 1978), and would be grounds for the Department to revoke or suspend the violator's business registration.

Significant Issues

The prohibited practices mostly involve imported cigarettes and appear to shore-up the provisions of the state Attorneys General Agreement with tobacco manufactures. Other provisions prohibit altering, removing, concealing or obscuring any statement on the package.

The reporting requirements specify monthly reports to the Department from any person who affixes state tax stamps, including copies of : 1) all federal permits issued to persons who imported cigarettes; 2) the customs forms showing federal ATF information; 3) the brand style, quantity, supplier, and purchaser of all cigarettes; 4) a non-confidential statement identifying the brand styles of all cigarettes; 5) a statement by each manufacturer or importer certifying the cigarettes have the appropriate health warnings, the federal requirements for reporting ingredients have been met, and whether the manufacturer or importer is a participating manufacturer for purposes of 15 USCA Sections 1333 and 1335a.

FISCAL IMPLICATIONS

No fiscal impact

OTHER SUBSTANTIVE ISSUES

The TRD indicates that in HB-177, which is a department's technical correction legislation, adds a new exception to allow exchange of information with the Attorney General with respect to cigarette and tobacco products.

RS/jsp