

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1184-02
Bill No.: SB 222
Subject: Attorney General, State; Law Enforcement Officers and Agencies; Revenue Dept.;
Tobacco Products
Type: Original
Date: February 15, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$69,255)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$69,255)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Public Safety – Division of Alcohol and Tobacco Control, Office of Prosecution Services and Office of State Courts Administrator** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Attorney General’s Office** assume this proposal would create minimal costs that could be absorbed with existing resources.

Officials with the **Department of Revenue (DOR)** assume this legislation provides additional regulations for tobacco product manufacturers. This legislation will have an administrative impact on the Division of Taxation.

A database will be required to compile the information to be posted on DOR’s web site. This will require 2,076 programming hours for a cost of \$69,255.

DOR’s Criminal Investigation Bureau anticipates the need for 5 Investigator II’s to handle the verification of complaints and the related enforcement activities.

Section 196.1004.8 requires every complaint to be investigated within 10 days. Taxation will

ASSUMPTION (continued)

need two Tax Processing Technician I's to compile, verify, and record the information and to answer the additional phone calls and correspondence generated by the website.

Oversight assumes that actual investigations arising from this proposal would be conducted by agencies empowered by this act that are better equipped with existing enforcement infrastructure: the Attorney General's Office, and state and local law enforcement. **Oversight** further assumes that the volume of investigations resulting from this act would be minimal.

Officials from the **Office of Secretary of State (SOS)** assume the proposal may result in the Attorney General's Office rescinding, amending, or promulgating rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 6 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$369 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Cost – DOR</u>			
Programming	(\$69,255)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$69,255)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would place reporting requirement upon small tobacco manufacturers.

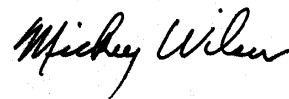
DESCRIPTION

This act requires every tobacco manufacturer to provide a list of all tobacco products they sell in Missouri. The Director of Revenue has to publish and post on the internet, a certified list of all the tobacco product manufacturers in compliance with this act and all the tobacco products those manufacturers sell in Missouri. It will be unlawful to offer for sale or sell any tobacco product not listed on the list provided by revenue. Punishment for the unlawful sale of such products may include seizure, forfeiture and suspension of tobacco sales.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Revenue
Office of Secretary of State
Department of Public Safety
 Division of Alcohol and Tobacco Control
Office of Prosecution Services
Office of State Courts Administrator



Mickey Wilson, CPA
Director

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