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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 809 (Substitute S-1 as reported)  
Sponsor: Senator Joanne G. Emmons  
Committee: Finance

### **CONTENT**

The bill would amend the revenue Act to prohibit the acquisition, possession, sale, distribution, or importation of tobacco products that violated Federal law, or that were intended for sale outside the United States; allow the confiscation of noncomplying products and associated records; and allow private lawsuits for violations, and allow a court to award up to three times the actual damages for intentional violations.

The current Act prohibits the importing of tobacco products that violate any Federal requirement for the placement of labels, warnings, or other information, including health hazards. The bill would prohibit a person from acquiring, possessing, selling, distributing, or importing into the State a tobacco product that violated any Federal law or regulation, including requirements concerning health warnings or other information on the container or individual package.

In addition, the bill would prohibit a person from acquiring, possessing, selling or distributing, or importing into the State a tobacco product or container of tobacco products if the tobacco product or container bore any statement, label, stamp, sticker, or notice indicating that the manufacturer intended the tobacco product to be sold or distributed outside the United States, including a non-United States health warning and/or labels or markings stating "For Export Only", "U.S. Tax Exempt", "For Use Outside U.S.", or similar wording; the tobacco product or container, or any statement, label, stamp, sticker, or notice on a tobacco product or container had been altered from the manufacturer's original packaging to conceal that the manufacturer intended the tobacco product to be sold or distributed outside the United States; the person knew or should have known that the manufacturer intended the tobacco product to be sold or distributed outside the United States; and/or the tobacco product were imported into the United States after January 1, 2000, in violation of the Internal Revenue Code.

MCL 205.14

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

The bill would increase the enforcement activities of the Department of Treasury for the Cigarette Stamp Enforcement program. The additional enforcement could increase the revenue received from cigarette tax revenue; however, the amount of additional revenue that would be received is unknown at this time. In the FY 1999-2000 General Government Appropriations bill, the Legislature appropriated \$1,725,000 for cigarette tax enforcement.

Date Completed: 10-20-99

Fiscal Analyst: E. Limbs

[floor/sb809 \(S-1\)](#)

Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.