LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 721** HLS 12RS 876
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 24, 2012 6:04 AM
Author: MORENO
Dept./Agy.: Attorney General
Subject: Tobacco Fee
Analyst: Matthew LaBruyere

JUDGMENTS/CIVIL EN +$17,000 SD RV See Note

Provides for a fee paid to the attorney general from tobacco product manufacturers for certification

Present law provides that every tobacco product manufacturer whose cigarettes are sold in La., whether directly or through a distributor, retailer, or similar intermediary or intermediaries, shall execute and deliver on a form prescribed by the attorney general a certification to the secretary and attorney general no later than April 30 of each year.
Present law provides that certifying be made under penalty of perjury that, as of the date of such certification, such tobacco product manufacturer either: is a participating manufacturer or is in full compliance with the requirements for tobacco product manufacturers under the Master Settlement Agreement in present law including all installment payments required by Present law.
Proposed legislation retains present law and further provides that for the initial certification submitted no later than April 30 each year, a manufacturer shall pay to the attorney general a fee of $500 to be deposited in the Tobacco Settlement Enforcement Fund and used solely and exclusively for purposes of enforcement of the Master Settlement Agreement.

EXPENDITURES	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total						

REVENUES	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$17,000	$17,000	$17,000	$17,000	$17,000	**$85,000**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$17,000**	**$17,000**	**$17,000**	**$17,000**	**$17,000**	**$85,000**

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

NOTE: The fees that are collected through the proposed legislation will be expended by the Tobacco Unit within the Attorney General's office. R.S. 39:98.7 states that $400,000 in SGF be appropriated to the Tobacco Unit to enforce the tobacco Master Settlement Agreement. However, budget reductions have decreased SGF funding to $385,000. The amount received in certification fees will be used to increase funding to the Tobacco Unit.

REVENUE EXPLANATION

The proposed legislation would result in an increase in statutory dedicated revenue as a result of tobacco manufacturers paying a $500 tobacco certification fee. The proposed legislation states the fees generated shall be deposited in the Tobacco Settlement Enforcement Fund and used solely for the purposes of enforcement of the Master Settlement Agreement.

According the the Attorney General's Office, there are currently 34 approved tobacco manufacturers on the Louisiana Attorney General's Approved Tobacco Directory. To the extent the 34 manufacturers continue to have their products sold in the state, the Attorney General's Office would receive $17,000 ($500 fee x 34 manufacturers) annually. For each manufacturer that decides to sell or no longer sell its products in the state, the total amount collected will increase or decrease by $500.

Senate	Dual Referral Rules	House
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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