



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1620 (Substitute S-1 as reported)
Senate Bill 1621 (Substitute S-1 as reported)
Sponsor: Senator Tupac A. Hunter
Committee: Commerce and Tourism

CONTENT

Senate Bill 1621 (S-1) would create the "Fire Safety Standard and Firefighter Protection Act" to prohibit the sale of cigarettes in Michigan unless they were tested for ignition strength according to a particular test method and met a specific performance standard, the manufacturer had filed a certification with the Department of Labor and Economic Growth (DLEG), and the cigarettes were marked in compliance with the Act. The bill also would do the following:

- Prescribe a three-year, \$1,250 certification fee.
- Allow a manufacturer to use an alternative test method and performance standard, under certain circumstances.
- Prescribe a civil fine for violations of the proposed Act.
- Require DLEG to review the effectiveness of the testing and performance standard requirements every three years and report its findings to the Legislature.
- Require the Department of Treasury to establish and administer the "Cigarette Fire Safety Standard and Firefighter Protection Act Fund"; and credit to it all civil fines received under the proposed Act.
- Authorize DLEG to promulgate rules to implement and enforce the Act.
- Authorize various State and local officials to conduct examinations to enforce the Act.
- Repeal the Act if a Federal performance standard were adopted.
- Prohibit local regulation that conflicted with the Act.

Under the performance standard, not more than 25% of the cigarettes tested in a test trial could exhibit full-length burns.

Senate Bill 1620 (S-1) would amend the Tobacco Products Tax Act to designate cigarettes not marked as required by Senate Bill 1620 contraband subject to seizure and forfeiture. The bill also would refer to violations of the proposed Fire Safety Standard and Firefighter Protection Act.

The bills are tie-barred and would take effect on January 1, 2010.

MCL 205.429 (S.B. 1620)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Senate Bill 1620 (S-1) could provide additional revenue to the State as a result of the seizure and confiscation of tobacco products not properly marked as required by law. The additional revenue could result from the public sale of the additionally confiscated tobacco

products (excluding cigarettes); however, the amount of additional revenue is indeterminate.

The bill would have no fiscal impact on local government.

Senate Bill 1621 (S-1) would create new administrative responsibilities for the Department of Labor and Economic Growth and the Department of Treasury. The bill also would generate revenue from new fees and fines. No fiscal information is available from the Department of Treasury or Department of Labor and Economic Growth as to whether the fees would cover administrative costs created by the legislation.

Date Completed: 11-13-08

Fiscal Analyst: Bill Bowerman
Joe Carrasco

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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.