

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB545

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hurt

3. Committee: Senate Courts of Justice

4. Title: **Master Settlement Agreement; regulation of cigarette manufacturers.**

- 5. Summary:** SB 545 makes several changes to the Code to enhance the regulation of cigarette manufacturers and stamping agents and enforcement provisions. Changes include
- (i) establishing a bonding requirement for newly qualified and elevated risk nonparticipating tobacco manufacturers,
 - (ii) authorizing the Attorney General to conduct audits and investigations for compliance with the requirements of the Master Settlement Agreement,
 - (iii) requiring nonparticipating manufacturers located outside of the United States to appoint an agent in the state, and
 - (iv) providing for the joint and several liability of nonparticipating manufacturers whose cigarettes are sold in Virginia and their importers for the deposit of required escrow payments.

Under the bill, tobacco product manufacturers that are poor compliance risks or are not in compliance with the requirements of the Master Settlement Agreement may not be listed on the Virginia Tobacco Directory. The bill also exempts from FOIA records of the Office of the Attorney General acting pursuant to its enforcement authority under the Master Settlement Agreement, to the extent that such records contain reports, affidavits, correspondence, or other information submitted by a private business entity or principal thereof to the Office of the Attorney General.

6. No fiscal impact

7. Budget Amendment Necessary: No

8. Fiscal Implications: The Office of the Attorney General reports this bill has no fiscal impact on the office.

9. Specific Agency or Political Subdivisions Affected:
Office of the Attorney General

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/12/2008 gdj

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cc: Office of the Attorney General