

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB853E

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Gilbert

3. Committee: Senate Committee on Courts of Justice

4. Title: Administration and enforcement of cigarette laws

5. Summary: Modifies several provisions relating to the administration and enforcement of Virginia's cigarette laws.

- It allows for investigations by a multi-jurisdiction grand jury for violations of cigarette tax laws;
- Counterfeit or unstamped cigarettes or cigarettes in the possession of an unauthorized holder may be assigned by court order for use by a law enforcement undercover operation;
- A person convicted of possessing unstamped cigarettes would be ineligible to be an authorized holder of cigarettes;
- Members of federal, state, and local law enforcement would be exempt from cigarette taxes when the cigarettes are used in the performance of investigatory duties;
- Manufacturers and distributors of cigarettes would be allowed to ship or deliver unstamped cigarettes to a law enforcement agency for use in the performance of its duties;
- Where a sealed pack is labeled as containing cigarettes, such labeling would constitute prima facie evidence that the pack is a pack of cigarettes;
- The proposed bill also increases the civil penalties for possession with intent to distribute tax paid contraband cigarettes by a person other than the authorized holder; and
- It provides that any undercover operation that makes use of counterfeit cigarettes will ensure that the counterfeit cigarettes remain under the command and control of law enforcement and will not be distributed to a member of the general public who is not the subject of a criminal investigation.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary (see Item #8)

8. Fiscal Implications: According to Alcoholic Beverage Control (ABC) and the Virginia State Police, the proposed legislation does not create a material fiscal impact.

9. Specific Agency or Political Subdivisions Affected: ABC, Virginia State Police, local law enforcement

10. Technical Amendment Necessary: No

11. Other Comments: None

RMT