

## Department of Planning and Budget

### 2018 Fiscal Impact Statement

**1. Bill Number:** SB986

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

**2. Patron:** John S. Edwards

**3. Committee:** Finance

**4. Title:** Disclosure of information under the Master Settlement Agreement and Non-Participating Manufacturer.

**5. Summary:** Provides that officers, employees, or agents of the Office of the Attorney General and the Department of Taxation shall share with each other's departments and disclose to the appropriate person or party information in accordance with the Master Settlement Agreement and the Non-Participating Manufacturer Adjustment Settlement Agreement entered into by the Commonwealth on October 10, 2017. The bill provides that any records shared by, collected by, disclosed by, or reported or provided to an officer, employee, or agent of the Office of the Attorney General or the Department of Taxation in accordance with such agreements are exempt from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) and the Government Data Collection and Dissemination Practices Act (§ 2.2-3800 et seq.).

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** See line 8.

**8. Fiscal Implications:** The Attorney General and Department of Law (OAG) indicates that the bill presents no fiscal impact to the OAG.

The Department of Taxation provided the following:  
Administrative Costs

The Department of Taxation (“the Department”) has not assigned any administrative costs to this bill because the changes required by a single bill such as this can be implemented as part of the annual changes to our systems and forms. As stand-alone legislation, the Department considers implementation of this bill as “routine,” and does not require additional funding.

The Department will provide specific administrative costs on any legislation that is not “routine.” Additionally, the Department will review all state tax legislation likely to be enacted prior to the passage by each house. If the aggregate number of routine bills likely to

pass either house is unusually large, it is possible that additional resources will be required. If so, the Department will identify the costs at that time.

#### Revenue Impact

This bill has no impact on state or local revenue. However, failure to enact this bill may jeopardize Virginia's ability to receive significant amounts under the Non-Participating Manufacturer Adjustment Settlement Agreement.

**9. Specific Agency or Political Subdivisions Affected:** Office of the Attorney General and Department of Law, Department of Taxation

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** HB1605 is similar.

The Department of Taxation indicates:

#### Current Law

Existing law authorizes the Department and the OAG to disclose information relating to sales of cigarettes and other tobacco products to each other and to any federal, state or local agency. Information could also be disclosed to cigarette manufacturers. These disclosures were related to requirements undertaken by Virginia and other states as part of the Tobacco Master Settlement Agreement that Virginia signed on November 23, 1998.

On October 10, 2017, Virginia signed the Non-Participating Manufacturer Adjustment Settlement Agreement ("NPM Agreement"). Among other things, the NPM Agreement requires disclosures to a clearing house as well as to outside counsel designated by manufacturers. The current law authorizing disclosures related to the Tobacco Master Settlement Agreement does not cover all of the disclosures required by the NPM Agreement.

#### Proposal

This bill would provide that officers, employees, or agents of the Office of the Attorney General and the Department of Taxation shall share with each other's departments and disclose to the appropriate person or party information in accordance with the Tobacco Master Settlement Agreement and the NPM Agreement entered into by the Commonwealth on October 10, 2017. The bill would also provide that any records shared by, collected by, disclosed by, or reported or provided to an officer, employee, or agent of the Office of the Attorney General or the Department of Taxation in accordance with such agreements are exempt from the provisions of the Virginia Freedom of Information Act (Va. Code § 2.2-3700 et seq.) and the Government Data Collection and Dissemination Practices Act (Va. Code § 2.2-3800 et seq.).