

SCS SB 222 -- SALE OF NONCOMPLIANT CIGARETTES

SPONSOR: Callahan (Sutherland)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Ways and Means by a vote of 16 to 0.

This substitute clarifies that individuals licensed and required to affix a tax stamp on cigarette packages and retailers who in good faith sell cigarettes that do not comply with state law are not subject to administrative, civil, or criminal seizures; forfeitures; suspensions; fines; or punishments for noncompliant cigarettes. Wholesalers and retailers are not relieved of any penalty imposed for the sale of cigarettes where a tax stamp has not been applied.

Wholesalers have 30 days to stamp and sell noncompliant cigarettes, and retailers have 60 days to purchase from wholesalers and sell noncompliant cigarettes once the noncompliance has been declared by the Department of Revenue and the Attorney General.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill is a tobacco-issue compromise that allows retailers legal protection and time to sell noncompliant cigarettes. Currently, there is no way for retailers to know which cigarettes are not legal.

Testifying for the bill were Senator Callahan; Missouri Petroleum Marketers and Convenience Store Association; Ugas; Dirt Cheap Cigarettes; and LPC, Incorporated.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that this is a good compromise since this is a challenging regulatory area where the 1999 Master Settlement Agreement requires the Department of Revenue and the Attorney General's Office to diligently enforce the requirements of the agreement.

Others testifying on the bill were R. J. Reynolds Tobacco Company; and Office of the Attorney General.

Karla Strobel, Legislative Analyst