CONFIDENTIAL

LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: H.845 **Name of Bill:** Government operations; reports; reports repeal

Agency/ Dept:_Liquor Control **Author of Bill Review: Gary Kessler, Deputy Commissioner**

Date of Bill Review: May 20, 2016 **Related Bills and Key Players _____**

Status of Bill: (check one): _____Upon Introduction **_____ As passed by 1st body** **X As passed by both**

Recommended Position:

_____Support **_____Oppose** **X Remain Neutral** **_____Support with modifications identified in #8 below**

Analysis of Bill

1. **Summary of bill and issue it addresses.** *The portion of the bill related to DLC deals with testing for tobacco licensee compliance for sales of tobacco products to underage purchasers. The relevant provision is contained in Section 2 starting on page 28 .*

2. **Is there a need for this bill?** *No as this work is done now at a similar level as part of an FDA grant. The additions including penalties are inadequate to really change behavior. The requirement that the Department conduct or contract to conduct testing until 90% compliance is achieved does not tangibly advance the goals and is arbitrary as is testing 100% of the tobacco licensees.*

3. **What are likely to be the fiscal and programmatic implications of this bill for this Department?** *More law enforcement staff time will be spent on repeatedly checking tobacco licensees until they get it right. For this to be effective substantial sanctions must be brought to bear when an outlet repeatedly fails these tests. The sanctions contained in the legislation are not meaningful enough to cause a change in behavior. We should be charging a sufficient enough fee to obtain a tobacco license to cover the costs to undertake these time-consuming compliance checks. Further, we should eliminate the "free" tobacco license add-on for liquor licenses. Failure to pass the compliance check should require a new license fee be paid to allow further testing (fee for service model).*

4. **What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?** *Not sure there is an impact to other departments as DLC staff will be doing all the work.*

5. **What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** (f*or example, public, municipalities, organizations, business, regulated entities, etc) No significant impacts expected.*

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6. **Other Stakeholders:**

   6.1 Who else is likely to support the proposal and why? *Bruce Cunningham an anti-tobacco crusader who believes that more compliance testing is the soul solution to stopping underage smoking.*

   6.2 Who else is likely to oppose the proposal and why? The *Retailor/Grocers Association would likely not endorse enhanced penalties, more compliance testing and appropriate license fees for tobacco.*

7. **Rationale for recommendation:** *Justify recommendation stated above. While we are not enthusiastic for this change we will do our best to make it work. We would have liked more opportunities to get this to work better, but those opportunities were not available.*

8. **Specific modifications that would be needed to recommend support of this bill***: Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position. Our concerns are laid out above in detail and do not make sense to further discuss at this point. We will work during the next session to improve this.*

9. **Will this bill create a new board or commission AND/OR add or remove appointees to an existing one? If so, which one and how many?** *No.*

Secretary/Commissioner has reviewed this document: Gary Kessler ***Date: __May 20, 2016***

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