

26:4F-7

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(Sale of tobacco products)

NJSA: 26:4F-7

LAWS OF: 1995 **CHAPTER:** 320

BILL NO: S1186

SPONSOR(S): Sinagra

DATE INTRODUCED: June 2, 1994

COMMITTEE: **ASSEMBLY** Appropriations; Judiciary

SENATE: Budget; Health

AMENDED DURING PASSAGE: Yes Amendments during passage
Senate committee substitute denoted by superscript numbers
(2R) enacted

DATE OF PASSAGE: **ASSEMBLY:** December 21, 1995

SENATE: October 19, 1995

DATE OF APPROVAL: January 5, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes 12-14-95 & 11-30-95

SENATE: Yes 9-28-95 & 2-27-95

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

[SECOND REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1186

STATE OF NEW JERSEY

ADOPTED FEBRUARY 27, 1995

Sponsored by Senator SINAGRA

1 AN ACT concerning the sale of tobacco products, amending
2 P.L.1966, c.36 and P.L.1948, c.65 and supplementing Title 26 of
3 the Revised Statutes.

4

5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. Section 7 of P.L.1966, c.36 (C.26:2F-7) is amended to read
8 as follows:

9 7. (a) There is hereby established a special projects and
10 development fund which shall consist of all funds appropriated or
11 otherwise made available for the purposes set forth in this
12 section. The commissioner, with the approval of the Public
13 Health Council, may make grants from the special projects and
14 development fund to local health agencies, to hospitals, and to
15 voluntary health agencies to provide State health assistance for
16 new health services and for special health projects in order to
17 stimulate continued development of health services and to assure
18 the citizens of New Jersey the benefits of the most advanced
19 health protection techniques.

20 (b) [Grants] Except as provided in subsection (c) of this
21 section, grants from the special projects and development fund
22 for specific purposes shall be made on an annual basis for a period
23 not in excess of 5 years and such grants shall be in diminishing
24 amounts during this period. The commissioner shall determine the
25 conditions applicable to each such grant including the extent of
26 local financial participation to be required. Grants from the
27 special projects and development fund to voluntary health
28 agencies shall not exceed 40% of said fund.

29 (c) ¹(1)¹ Grants from the special projects and development
30 fund shall be made on an annual basis to local health agencies for
31 local enforcement efforts concerning the sale and commercial
32 distribution of tobacco products to persons under the age of 18
33 years, in an amount determined by the commissioner. ¹The
34 grants shall be distributed based on the number of cigarette retail
35 dealer and vending machine licenses issued within a local health
36 agency's jurisdictional authority in order to ensure Statewide
37 coverage and Statewide consistency of enforcement efforts;
38 except that the commissioner may designate up to 5% of
39 available funds, annually, for incentive grants to local health
40 agencies to enhance enforcement efforts.

41 Each grant recipient shall report quarterly to the commissioner
42 on the number of compliance check inspections it has completed

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate floor amendments adopted March 2, 1995.

² Senate SBA committee amendments adopted September 28, 1995.

1 and the results of those compliance checks.¹ The commissioner
2 shall determine ¹[the] any other¹ conditions applicable to the
3 grants.

4 ¹(2)¹ Beginning in 1999, ¹notwithstanding the provisions of
5 paragraph (1) of this subsection to the contrary,¹ the
6 commissioner may make grants from the special projects and
7 development fund to public and private local agencies to reduce
8 teenage use of addictive substances.

9 (cf: P.L.1966, c.36, s.7)

10 2. (New section) a. The Commissioner of Health is authorized
11 to enforce the provisions of N.J.S.2A:170-51 with respect to the
12 prohibition on the sale and commercial distribution of tobacco
13 products to persons under 18 years of age. The commissioner
14 may delegate the enforcement authority provided in this section
15 to local health agencies, subject to the availability of sufficient
16 funding. ²The commissioner shall report quarterly to the
17 Legislature on the enforcement program's progress, use of grants
18 awarded pursuant to section 7 of P.L.1966, c.36 (C.26:2F-7),
19 results of enforcement efforts and other matters the
20 commissioner deems appropriate.²

21 b. The Department of the Treasury shall provide the
22 commissioner with information about retail tobacco dealer
23 licensees necessary to carry out the purpose of this section.

24 3. Section 202 of P.L.1948, c.65 (C.54:40A-4) is amended to
25 read as follows:

26 202. a. All licenses shall be issued by the director, who shall
27 make rules and regulations respecting applications therefor and
28 issuance thereof.

29 b. The following individuals related to distributors, wholesale
30 dealers, retail dealers operating more than nine cigarette vending
31 machines, and retail dealers who sell cigarettes at retail at more
32 than nine premises shall submit with applications for a license,
33 fingerprints, which shall be processed through the Federal Bureau
34 of Investigation and the New Jersey State Police, and such other
35 information as the director may require:

36 (1) Individuals having any interest whatsoever in a
37 proprietorship or company.

38 (2) Partners of a partnership, regardless of percentage.

39 (3) Joint venturers in a joint venture.

40 (4) Officers, directors, and all stockholders holding directly or
41 indirectly a beneficial interest in more than 5% of the
42 outstanding shares of a corporation.

43 (5) Employees receiving in excess of \$30,000.00 per annum
44 compensation whether as salary, commission, bonus or otherwise
45 and persons who, in the judgment of the director are employed in
46 a supervisory capacity or have the power to make or substantially
47 affect discretionary business judgments of the applicant entity
48 with regard to the cigarette business.

49 (6) Other persons who the director establishes have the ability
50 to control the applicant entity through any means including but
51 not limited to, contracts, loans, mortgages or pledges of
52 securities where such control is inimical to the policies of this
53 act because such person is a career offender or a member of a
54 career offender cartel as defined in paragraph (2) of

1 subsection e. of this section. Individuals licensed pursuant to the
2 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) shall
3 only be required to produce evidence of said licensure in
4 satisfaction of the foregoing.

5 The provisions in this subsection as to wholesale dealers, retail
6 dealers operating more than nine cigarette vending machines, and
7 retail dealers who sell cigarettes at retail at more than nine
8 premises do not apply to retail grocery stores and supermarkets
9 primarily engaged in the self-service sale of foods and household
10 supplies for off-premises consumption or to restaurants, hotels
11 and motels operated by national corporations with such premises
12 in six or more states and primarily engaged in the sale of foods
13 for retail consumption or in the rental of rooms for lodging.

14 c. The director shall not issue any license under this act where
15 he has reasonable cause to believe that anyone required to submit
16 information under this act has willfully withheld information
17 requested of him for the purpose of determining the eligibility of
18 the applicant to receive a license or where the director has
19 reasonable cause to believe that information submitted in the
20 application is false and misleading and is not made in good faith.

21 d. The director shall not issue any license under this act where
22 he has reasonable cause to believe that anyone required to be
23 licensed or anyone required to submit information under this act,
24 has been convicted of any offense in any jurisdiction which would
25 be at the time of conviction a crime involving moral turpitude.

26 It is further provided that any applicant or person required to
27 submit information who has a charge pending pursuant to any of
28 the foregoing shall disclose that fact to the director. The
29 director may then withhold action on new applications or, in the
30 case of an application for the renewal of a license, issue a
31 temporary license until there has been a disposition of the
32 charge. The director shall have the discretion to waive the
33 prohibition against licensure herein provided upon the
34 presentation of proof that a period of not less than five years has
35 elapsed since the last conviction or the expiration of any period
36 of incarceration imposed with respect thereto.

37 e. The director shall not issue any license where the applicant
38 or anyone required to submit information has been identified as a
39 career offender or a member of a career offender cartel in such a
40 manner as to create a reasonable belief that the association is of
41 such a nature as to be inimical to the policies of this act or to the
42 taxation, distribution, and sale of cigarettes within the State.
43 The director may request the Attorney General for advice
44 respecting whether a person is a "career offender" within the
45 meaning of this subsection, or is a "contumacious defiant" within
46 the meaning of subsection f. of this section.

47 [(1)] As used in this subsection:

48 [1] "career offender" means any person whose behavior is
49 pursued in an occupational manner or context for the purpose of
50 economic gain, utilizing such methods as are deemed criminal
51 violations of the public policy of this State; and (2) "career
52 offender cartel" means any group of persons who operate
53 together as career offenders.

54 f. The director shall not issue any license where the applicant

1 or anyone required to submit information has been found to be
2 contumaciously defiant before any legislative investigative body
3 or other official investigative body of this State or of the United
4 States when such body is engaged in the investigation of
5 organized crime, official corruption or the cigarette industry
6 itself.

7 g. Each such license shall lapse on March 31 of the period for
8 which it is issued, and each such license shall be continued
9 annually upon the conditions that the licensee shall have paid the
10 required fee and complied with all the provisions of this act and
11 the rules and regulations of the director made pursuant thereto.

12 h. For each license issued to a distributor there shall be paid
13 to the director a fee of \$350.00. If a distributor sells or intends
14 to sell cigarettes at two or more places of business, whether
15 established or temporary, a separate license shall be required for
16 each place of business. Each license, or certificate, thereof, and
17 such other evidence of license shall be exhibited in the place of
18 business for which it is issued and in such manner as may be
19 prescribed by the director. The director shall require each
20 licensed distributor to file with him a bond in an amount not less
21 than \$6,000.00 to guarantee the proper performance of his duties
22 and the discharge of his liabilities under this act. The bond shall
23 be executed by such licensed distributor as principal, and by a
24 corporation approved by the director and duly authorized to
25 engage in business as a surety company in the State of New
26 Jersey, as surety. The bond shall run concurrently with the
27 distributor's license.

28 For each license issued to a manufacturer, and for each
29 continuance thereof, there shall be paid to the director a fee of
30 \$10.00.

31 For each license issued to a manufacturer's representative,
32 and for each continuance thereof, there shall be paid to the
33 director a fee of \$5.00.

34 For each license issued to a wholesale dealer there shall be
35 paid to the director a fee of \$250.00. If a wholesale dealer sells
36 or intends to sell cigarettes at two or more places of business,
37 whether established or temporary, a separate license shall be
38 required for each place of business. Each license, or certificate
39 thereof, and such other evidence of license shall be exhibited in
40 the place of business for which it is issued and in such manner as
41 may be prescribed by the director.

42 For each license issued to a retail dealer and for each
43 continuance thereof, excepting a retail dealer operating a
44 cigarette vending machine, there shall be paid to the director a
45 fee of ~~[\$5.00]~~ \$40 in ²[1995] 1996² and \$50 in ²[1996] 1997² and
46 each year thereafter. For each license issued to a retail dealer
47 operating a vending machine for the sale of cigarettes and for
48 each continuance thereof, there shall be paid to the director a
49 fee of ~~[\$5.00]~~ \$40 in ²[1995] 1996² and \$50 in ²[1996] 1997² and
50 each year thereafter. Of the license fee ²[increase]² of \$40 and
51 \$50, respectively, \$30 shall be credited in ²[1995] 1996² and \$40
52 shall be credited in ²[1996] 1997² and each year thereafter to the
53 special projects and development fund in the Department of
54 Health established pursuant to section 7 of P.L.1966, c.36

1 (C.26:2F-7) for the purposes specified therein, and \$5 shall be
2 credited each year beginning 1996² to the division for
3 administrative costs associated with the requirements established
4 pursuant to subsection i. of this section and section 2 of P.L. ,
5 c. (C.) (pending before the Legislature as this bill). The
6 director shall determine and certify to the State Treasurer on a
7 monthly basis the amount of revenues collected by the director
8 which are to be credited to the special projects and development
9 fund in the Department of Health.

10 If a retail dealer sells or intends to sell cigarettes at two or
11 more places of business, whether established or temporary, or
12 whether in the same building or not, a separate license shall be
13 required for each place of business. Each vending machine for the
14 sale of cigarettes shall be separately licensed and be deemed a
15 separate place of business. Each license, or certificate thereof,
16 and such other evidence of license shall be exhibited in the place
17 of business for which it is issued and in such manner as may be
18 prescribed by the director.

19 Any person licensed only as a distributor or as a manufacturer
20 or as a manufacturer's representative or as a wholesale dealer or
21 as a retail dealer shall not operate in any other capacity except
22 under that for which he is licensed herein, unless the appropriate
23 license or licenses therefor are first secured.

24 For each license issued to a consumer and for each continuance
25 thereof there shall be paid to the director a fee of \$1.00. Each
26 license, or certificate thereof, or such other evidence of license
27 as may be prescribed by the director, shall be so kept by the
28 consumer as to be readily available for inspection.

29 No license shall be issued to any person except upon the
30 payment of the full fee therefor, any statute or exemption to the
31 contrary notwithstanding. No license shall be assignable or
32 transferable, except as hereinafter provided, but in the case of
33 death, bankruptcy, receivership, or incompetency of the licensee,
34 or if for any other reason whatsoever the business of the licensee
35 shall devolve upon another by operation of law, the director may,
36 in his discretion, extend said license for a limited time to the
37 executor, administrator, trustee, receiver, or person upon whom
38 the same has devolved. A purchaser or assignee of a licensed
39 wholesaler or licensed distributor, or any other person upon whom
40 the business of a licensed wholesaler or licensed distributor shall
41 devolve by operation of law, shall upon application to the
42 director, be entitled to an assignment or transfer of the
43 wholesale or distributor license for the balance of the existing
44 license period upon payment of a transfer fee of \$5.00 and
45 subject to his qualification to be a licensed wholesaler or licensed
46 distributor under the provisions of this act. The license issued for
47 each vending machine for the sale of cigarettes may be
48 transferred from machine to machine in the same ownership. No
49 refund of the license fee shall be paid to any person upon the
50 surrender or revocation of any license except a license fee paid
51 or collected in error. But, upon payment of \$1.00 fee, there may
52 be obtained (1) a duplicate license, or certificate thereof, in the
53 event the original is lost, destroyed or defaced, and (2) an
54 amended license, or certificate thereof, upon a change in the
55 location of the place of business of any distributor or dealer.

1 i. The director shall require an applicant for a cigarette retail
2 dealer license, including a license to operate a vending machine
3 for the sale of cigarettes, to include on the application the
4 address of the place of business where the cigarettes will be sold
5 or the address where the vending machine will be located, as the
6 case may be.

7 If the place of business or the vending machine is moved to a
8 different address than that provided on the license application,
9 the licensee shall notify the director within 30 days of the change
10 of address.

11 (cf: P.L.1987, c.37, s.1)

12 4. This act shall take effect ²[immediately, and the increase in
13 licensing fees provided in section 3 shall apply to licenses issued
14 or continued after the effective date] January 1, 1996².

15

16

17

18

19 _____
20 Authorizes Comm. of Health to regulate sale of tobacco products
21 to minors; increases licensing fee for retail tobacco dealers and
vending machines and dedicates revenues to local enforcement.

STATEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

This bill strengthens the local enforcement of State laws concerning the sale and commercial distribution of tobacco products to persons under 18 years of age.

The bill authorizes the Public Health Council to include regulations in the State Sanitary Code concerning the sale and commercial distribution of tobacco products to persons under 18 years of age. As in the case of various other State Sanitary Code regulations, these regulations would be carried out and enforced by local health agencies.

In order to ensure funding to local health agencies for this additional responsibility, the bill also increases the licensing fee for retail tobacco dealers and tobacco vending machines from \$5.00 to \$75.00, and dedicates the \$70.00 increase to the Local Health Tobacco Enforcement Fund created in this bill. The fund will be a nonlapsing fund in the Department of Health and will be used to provide grants to local health agencies in order to assist them in enforcing the Public Health Council's regulations concerning the sale and commercial distribution of tobacco products to persons under 18 years of age.

Authorizes Public Health Council to regulate sale of tobacco products to minors, increases licensing fee for retail tobacco dealers and vending machines and dedicates revenues to local enforcement.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 1186

STATE OF NEW JERSEY

DATED: DECEMBER 14, 1995

The Assembly Appropriations Committee reports favorably Senate Bill No. 1186 (SCS/2R).

Senate Bill No. 1186 (SCS/2R) authorizes the Commissioner of Health to enforce the provisions of N.J.S.2A:170-51, the statute prohibiting the sale and commercial distribution of tobacco products to persons under 18 years of age, and approves the delegation of such enforcement efforts by the commissioner to local health agencies.

To provide funding to local health agencies for enforcement efforts, the bill increases the licensing fee for retail tobacco dealers and tobacco vending machines from \$5 to \$40 in 1996 and \$50 in 1997 and thereafter, and dedicates \$30 and \$40 of the increase, respectively, to the special projects and development fund in the Department of Health. The fee has not been increased since 1948. The commissioner will award grants annually to local health agencies for enforcement efforts. The grants will be distributed based on the number of cigarette retail dealer and vending machine licenses issued within an agency's jurisdiction.

Beginning in 1999, the commissioner will be able to make grants from that fund to public and private agencies for efforts to reduce use of addictive substances by teenagers.

This bill is identical to Assembly Bill No. 2892 (1R).

FISCAL IMPACT:

The Division of Taxation and the Office of Management and Budget (OMB) estimated that approximately \$875,000 will be collected in 1996 and \$1,125,000 in each year thereafter as a result of this bill, assuming the issuance and renewal of 25,000 licenses annually. Approximately \$750,000 in 1996 and \$1 million in 1997 and annually thereafter will be available to the Department of Health (DOH) for grants and DOH administrative costs. Approximately \$125,000 will be available annually to the Division of Taxation for administrative costs. Revenues equal to the current fee amount of \$5 per license, or \$125,000 annually, will continue to be deposited into the General Fund.

The DOH and OMB estimate that DOH's enforcement and administrative costs will be approximately \$147,000 per year, including the personnel costs for three people. The remainder of the increased fees collected will be used to provide grants to the approximately 118 local health departments for enforcement activities.

ASSEMBLY JUDICIARY, LAW AND PUBLIC SAFETY
COMMITTEE

STATEMENT TO

[SECOND REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 1186

STATE OF NEW JERSEY

DATED: NOVEMBER 20, 1995

The Assembly Judiciary, Law and Public Safety Committee reports favorably Senate Bill No. 1186 (SCS/2R).

This bill authorizes the Commissioner of Health to enforce the provisions of N.J.S.2A:170-51, the statute prohibiting the sale and commercial distribution of tobacco products to persons under 18 years of age, and approves the delegation of such enforcement efforts by the commissioner to local health agencies.

To provide funding to local health agencies for their enforcement efforts, the bill also increases the licensing fee for retail tobacco dealers and tobacco vending machines from \$5 to \$40 in 1996 and \$50 in 1997 and each year thereafter, and dedicates \$30 and \$40 of the increase, respectively, to the special projects and development fund in the Department of Health. The fee has not been increased since 1948. From this fund, the commissioner will award grants annually to local health agencies for their enforcement efforts. The grants will be distributed based on the number of cigarette retail dealer and vending machine licenses issued within a agency's jurisdiction.

Beginning in 1999, the commissioner will be able to make grants from the special projects and development fund to public and private agencies for efforts to reduce use of addictive substances by teenagers.

The Division of Taxation will receive \$5 of each fee for the administrative costs associated with the bill. The State General Fund also will receive \$5 of each fee; this is the current amount collected by the State so no additional General fund revenue will be realized from the fee increases.

The Senate Budget and Appropriations committee amended the bill to move the fee increases up by a year since 1995 is almost at an end. Those amendments also require the Commissioner of Health to report to the Legislature quarterly on the progress of the enforcement efforts funded by the bill.

This bill is identical to Assembly Bill No. 2892 (1R).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 1186

with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 28, 1995

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1186 (SCS/1R) with committee amendments.

Senate Bill No. 1186 (SCS/1R), as amended, authorizes the Commissioner of Health to enforce the provisions of N.J.S.2A:170-51, the statute prohibiting the sale and commercial distribution of tobacco products to persons under 18 years of age, and approves the delegation of such enforcement efforts by the commissioner to local health agencies.

To provide funding to local health agencies for their enforcement efforts, the bill also increases the licensing fee for retail tobacco dealers and tobacco vending machines from \$5 to \$40 in 1996 and \$50 in 1997 and each year thereafter, and dedicates \$30 and \$40 of the increase, respectively, to the special projects and development fund in the Department of Health. The fee has not been increased since 1948. From this fund, the commissioner will award grants annually to local health agencies for their enforcement efforts. The grants will be distributed based on the number of cigarette retail dealer and vending machine licenses issued within a agency's jurisdiction.

Beginning in 1999, the commissioner will be able to make grants from the special projects and development fund to public and private agencies for efforts to reduce use of addictive substances by teenagers.

The Division of Taxation will receive \$5 of each fee for the administrative costs associated with the bill. The State General Fund also will receive \$5 of each fee; this is the current amount collected by the State so no additional General fund revenue will be realized from the fee increases.

COMMITTEE AMENDMENTS

The committee amended the bill to move the fee increases up by a year since 1995 is almost at an end and the bill called for the fees increases to begin in 1995. The amendments also require the Commissioner of Health to report to the Legislature quarterly on the progress the enforcement efforts funded by the bill.

FISCAL IMPACT

The Division of Taxation and the Office of Management and Budget (OMB) estimated that approximately \$875,000 will be collected in 1996 and \$1,125,000 in each year thereafter as a result of this bill, assuming the issuance and renewal of 25,000 licenses

annually. Approximately \$750,000 in 1996 and \$1 million in 1997 and annually thereafter will be available to the Department of Health (DOH) for grants and DOH administrative costs. Approximately \$125,000 will be available annually to the Division of Taxation for administrative costs. Revenues equal to the current fee amount of \$5 per license, or \$125,000 annually, will continue to be deposited into the General Fund.

The DOH and OMB estimate that DOH's enforcement and administrative costs will be approximately \$147,000 per year, including the personnel costs for three people. The remainder of the increased fees collected will be used to provide grants to the approximately 118 local health departments for enforcement activities.

SENATE HEALTH COMMITTEE
STATEMENT TO
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1186
STATE OF NEW JERSEY

DATED: FEBRUARY 27, 1995

The Senate Health Committee favorably reports a Senate Committee Substitute for Senate Bill No. 1186.

This substitute strengthens the enforcement of State laws concerning the sale and commercial distribution of tobacco products to persons under 18 years of age.

The substitute authorizes the Commissioner of Health to enforce the provisions of N.J.S.2A:170-51 with respect to the prohibition on the sale and commercial distribution of tobacco products to persons under 18 years of age. The substitute directs that the commissioner may delegate the enforcement authority provided in this section to local health agencies, subject to the availability of funding.

In order to ensure funding to local health agencies for this additional responsibility, the substitute also increases the licensing fee for retail tobacco dealers and tobacco vending machines from \$5 to \$40 in 1995 and \$50 in 1996 and each year thereafter, and dedicates \$30 and \$40, respectively, of the increase to the special projects and development fund in the Department of Health and \$5 each year of the increase to the Division of Taxation for administrative costs associated with the new requirements in the substitute.

The commissioner is authorized to make grants from the fund to local health agencies for the purpose of assisting them in enforcing the law concerning the sale and commercial distribution of tobacco products to persons under 18 years of age. Further, beginning in 1999, the commissioner is authorized to make grants from the fund to public and private local agencies to reduce teenage use of addictive substances.

LEGISLATIVE FISCAL ESTIMATE TO
[FIRST REPRINT]
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1186
STATE OF NEW JERSEY

DATED: May 26, 1995

Senate Committee Substitute for Senate Bill No. 1186 [1R] increases the licensing fee for retail tobacco dealers and tobacco vending machines and dedicates the revenue to enforcement of State laws concerning the sale and commercial distribution of tobacco products to persons under 18 years of age.

The substitute authorizes the Commissioner of Health to enforce the provisions of N.J.S.2A:170-51 with respect to the prohibition on the sale and commercial distribution of tobacco products to persons under 18 years of age. The substitute provides that the commissioner may delegate that enforcement authority to local health agencies, subject to the availability of sufficient funding.

The substitute increases the licensing fee for retail tobacco dealers and tobacco vending machines from \$5 to \$40 in 1995 and \$50 in 1996 and each year thereafter, and dedicates \$30 and \$40 in 1995 and 1996 and each year thereafter, respectively, to the special projects and development fund in the Department of Health (DOH) for enforcement efforts and \$5 each year to the Division of Taxation for administrative costs associated with the new data requirements in the substitute.

The commissioner is authorized to make grants from the fund to local health agencies for the purpose of assisting them in enforcing the law concerning the sale and commercial distribution of tobacco products to minors. The grants will be made to the local agencies based on the number of cigarette retail dealer and vending machine licenses issued within a local health agency's jurisdictional authority.

The DOH and Office of Management and Budget have not provided any fiscal information on the legislation.

In Fiscal Year 1994, the Division of Taxation issued approximately 26,500 retail dealer and vending machine licenses. The licenses are renewed annually on April 1 of each year. As 1995 renewals have already been issued, therefore little additional revenue should be realized from the \$35 increase in license fees in 1995. In 1996 and each thereafter, assuming the division continues to issue approximately 26,500 licenses per year, the \$40 increase should raise \$1,060,000 each year for the DOH special projects and development fund. Whether the estimated \$1,060,000 will be sufficient to fund enforcement efforts is not known. The additional \$5 per license will provide the Division of Taxation with \$132,500 in additional revenue for administrative costs.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

CONTACT: Jayne Rebovich
(609) 777-2600

TRENTON, NJ 08625

RELEASE: Jan. 9, 1996

Gov. Christie Whitman today signed into law a number of bills.

S-1186/A-2892, sponsored by Senator Jack Sinagra (R-Bergen/Essex/Passaic) and Assemblymembers David Russo (R-Bergen/Passaic) and Loretta Weinberg (R-Bergen), authorizes the state Health Commissioner to enforce existing laws that prohibit the sale and distribution of tobacco products to persons under the age of 18. Presently, enforcement of these laws is the responsibility of the Department of Treasury. This enforcement, however, is limited to the annual issuance and revocation of cigarette vending licenses and the requirement that vendors post signs stating that it is illegal to sell tobacco products to minors.

"With more than 3,000 American teenagers starting to smoke every day, we must do all that we can to make cigarettes less available to children," said Gov. Whitman. "We must not only educate teenagers about the dangers of smoking, we must also limit their access to tobacco."

The new law permits the Health Commissioner to delegate enforcement to local health departments. State grants will be made to local health agencies for local enforcement efforts.

Fees for tobacco retailer licenses, which have not been increased since 1948, and fees for tobacco vending machine licenses, not raised since 1971, are increased under the new law. Beginning in 1999, the Health Commissioner may use funds raised under this bill to make grants to local agencies to reduce the use of addictive substances by teenagers.

This law takes effect immediately.
