

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4115 Cigarette Metering and Vending Machines

SPONSOR(S): Ingram

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	11 Y, 0 N	Collins	Creamer
2) Economic Affairs Committee	15 Y, 0 N	Collins	Tinker

SUMMARY ANALYSIS

The bill amends Ch. 210, F.S., to eliminate the use of stamp insignia meter machines to evidence cigarette excise tax payments to the state and the provisions for wholesale cigarette dealers to comply with division requirements regarding affixation of identification stickers to cigarette vending machines.

The bill has no fiscal impact on state funds.

The bill has an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Stamp Insignia Metering Machines

Section 210.02, F.S., levies an excise tax upon the sale, receipt, purchase, possession, consumption, handling, distribution, and use of cigarettes in the state. In order to evidence payment of the tax, s. 210.05, F.S., requires approved cigarette wholesale dealers to affix a stamp or a stamp insignia through a metering machine device to every package of cigarettes, prior to being sold in the state. Currently, approved wholesale dealers only affix stamps to the packages; the use of metering machines to place tax indicia on the packages is no longer used.

Cigarette Vending Machines

Section 210.07(3), F.S., requires wholesale or retail cigarette dealers that own, lease, or operate a cigarette vending machine to affix a division-authorized identification sticker on each machine. However, division rule stipulates that these vending machines may only be operated by retail dealers.¹

Effect of Proposed Changes

Stamp Insignia Metering Machines

The bill amends s. 210.01(9), 210.05(1), 210.07(1), 210.07(2), 210.07(4), 210.11, 210.12(1), 210.15(2), and 210.18(3), F.S., to eliminate the use of metering machines in order to evidence the payment of excise taxes to the state. Wholesale dealers may only affix an adhesive stamp in order to evidence excise tax payments.

Cigarette Vending Machines

The bill renames s. 210.07, F.S., to 'Vending machines,' and eliminates the requirement in s. 210.07(3), F.S., that wholesale dealers must affix identification stickers to their cigarette vending machines. Retail dealers are still required to affix the identification stickers to their machines.

The bill has an effective date of July 1, 2012.

B. SECTION DIRECTORY:

Section 1 amends s. 210.01(9), F.S., to eliminate the use of meter machines.

Section 2 amends s. 210.05(1), F.S., to eliminate the use of meter machines.

Section 3 amends s. 210.07, F.S., to eliminate the regulation of meter machines by the division, and to eliminate wholesale dealers of cigarette vending machines from having to comply with affixation of a division-authorized identification sticker.

Section 4 amends s. 210.11, F.S., to eliminate the use of meter machines.

Section 5 amends s. 210.12(1), F.S., to eliminate the use of meter machines.

¹ F.A.C. 61A-10.020

Section 6 amends s. 210.15(2), F.S., to eliminate the use of meter machines.

Section 7 amends s. 210.18(3), F.S., to eliminate penalties regarding to the misuse of meter machines.

Section 8 provides an effective date of July 1, 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Sections 61A-10.006, 61A10.007, and 61A-10.008, F.A.C., must be amended by the Division of Alcoholic Beverages and Tobacco to eliminate verbiage relating to meter machines. The division has rulemaking authority to do so.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.