

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1246
Economic Matters

(Delegate Moe, *et al.*)

Public Safety - Fire Safety Standards for Cigarettes

This bill requires the State Fire Prevention Commission (FPC) to adopt regulations for cigarette fire safety standards by October 1, 2006. The bill also provides that the Attorney General may bring action against a person in violation of the regulations and specified civil penalties may be imposed. Any civil penalty collected is to be deposited to the Cigarette Fire Safety Fund, a special nonlapsing fund. FPC is to administer the fund to support fire safety and prevention programs.

Fiscal Summary

State Effect: Potential minimal increase in special fund revenue from civil penalty provisions. Enforcement could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The cigarette fire safety standards must be substantially the same as those adopted in the state of New York on December 31, 2003. After the date when the regulations are adopted, cigarettes may not be sold in the State unless they meet the standards. Manufacturers must mark all cigarette packages identically to the unique marking each manufacturer places on cigarettes in New York. Wholesalers and retailers may continue to sell their existing stock of cigarettes when the regulations are adopted.

A wholesaler who knowingly sells cigarettes in violation of the fire safety standards is subject to a civil penalty of up to \$10,000 for each sale. A retailer who knowingly sells cigarettes in violation of the standards is subject to a civil penalty of up to \$500 for each sale if the total sold does not exceed 1,000 cigarettes. A retailer who sells more than 1,000 cigarettes is subject to a civil penalty of up to \$1,000.

Current Law: There are no cigarette fire safety standards in Maryland.

Background: On December 31, 2003, the State of New York adopted fire safety standards for cigarettes sold in the state. The standards became effective June 28, 2004. Any cigarette sold in New York has to be certified as low-ignition strength, which means that it has a greater capacity for self-extinguishment if left unattended. The standards require that all cigarette brands sold in New York be tested to determine that at least 75% of the cigarettes self-extinguish before burning the full length of the tobacco column. The tests are conducted according to American Society of Testing and Materials standards. The tests must be re-done at least every three years. Penalty provisions similar to the ones in this bill are included in the New York statute.

Each manufacturer must mark their cigarettes signifying that they comply with the New York standards. Any symbols used for such marking must first be approved by the New York Office of Fire Prevention and Control.

Similar bills have recently been introduced in the U.S. Congress and at least 12 other states (Alabama, Arkansas, California, Colorado, Maine, Massachusetts, Minnesota, New Hampshire, New Jersey, Oregon, Rhode Island, and Vermont).

State Fiscal Effect: Special fund revenues could increase minimally from the civil penalty provisions of the bill. Any revenue collected would be deposited to the Cigarette Fire Safety Fund. Each violation by a manufacturer is subject to a penalty of up to \$10,000, and each penalty for violation by a retailer would not exceed \$1,000. Although the actual increase in special fund revenue cannot be reliably estimated at this time, it is expected to be minimal. It is assumed that cigarette manufacturers would be able to comply with fire safety standards established in Maryland as they are already required to comply with these standards for cigarettes sold in New York and, therefore, such violations would be held to a minimum.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Department of State Police, Department of Health and Mental Hygiene, Office of the Attorney General, *Wall Street Journal*, State of New York, State of Oregon, Department of Legislative Services

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