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Senate Bill 264 (Substitute S-1 as reported)  
Sponsor: Senator Tupac A. Hunter  
Committee: Commerce and Tourism

### **CONTENT**

The bill would create the "Fire Safety Standard and Firefighter Protection Act", effective January 1, 2010, to do the following:

- Prescribe testing requirements and a performance standard for cigarettes sold in Michigan.
- Require cigarettes sold in Michigan to be certified and marked by the manufacturer.
- Prescribe a three-year, \$1,250 certification fee.
- Allow a manufacturer to use an alternative test method and performance standard, under certain circumstances.
- Require the Department of Energy, Labor, and Economic Growth (DELEG) to review the effectiveness of the testing and performance standard requirements every three years and report its findings to the Legislature.
- Create the "Fire Safety Standard and Firefighter Protection Act Enforcement Fund" for processing, testing, enforcement, and oversight activities under the proposed Act, and allocate certification fees to this Fund.
- Prescribe civil fines for violations of the proposed Act.
- Create the "Cigarette Fire Safety Standard and Firefighter Protection Act Fund" for fire safety and prevention programs, and allocate civil fine revenue to this Fund.
- Authorize DELEG to promulgate rules to implement and enforce the Act.
- Authorize specified State and local officials to conduct examinations to enforce the Act.
- Repeal the Act if a Federal performance standard were adopted.
- Prohibit local regulation that conflicted with the Act.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would increase the responsibilities of DELEG by creating a new certification program for cigarette manufacturers that would be administered by the Bureau of Fire Safety. The bill would require that the manufacturers obtain a three-year certification from the Department, and pay a \$1,250 fee for each brand family. Revenue from the proposed fee would be deposited into the proposed Fire Safety Standard and Firefighter Protection Act Enforcement Fund. This Fund would be used to support the costs of testing, enforcement, and oversight. Money in the Fund would not lapse to the General Fund, but would carry forward into the next fiscal year. According to the Department, there are 100 brand families registered in the State of New York. The revenue that would be generated by this fee each year would equal approximately \$42,000, while the average cost of supporting one FTE is approximately \$80,000. Therefore, the revenue would support only a part-time staff person for the administration of this new program or would require the Bureau to redirect some of its existing resources to support this program. The FY 2008-09 year-to-date appropriations for the Bureau of Fire Safety programs (including the Fire Marshal Program,

Fire Fighters Training Council, and Fire Safety Program) total \$6,474,700, of which \$1,816,700 is generated from fee revenue and \$3,060,200 comes from the General Fund, with remaining resources from Federal revenue and interdepartmental grants.

In addition, the bill would create the Cigarette Fire Safety Standard and Firefighter Protection Act Fund. Revenue to this Fund would come from any civil fines levied for noncompliance with the Act. This Fund would have carry-forward authority. Money from this Fund could be used to support DELEG's fire safety and prevention programs. The civil fines could increase revenue to these programs if manufacturers or sellers of cigarettes were found to be out of compliance; however, it is difficult to estimate the amount of civil fine revenue that would be collected.

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