

Fiscal Estimate Narratives

DOR 1/6/2016

LRB Number	15-3551/1	Introduction Number	AB-0628	Estimate Type	Original
Description Suspending, revoking, or refusing to renew cigarette and tobacco products retailer licenses					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, municipalities issue licenses to retailers authorizing the sale of cigarettes or tobacco products. These licenses are valid for a period of one year, unless revoked. Current law does not specify conditions, procedures, or processes related to revocation.

The bill would permit municipalities to suspend, revoke, or refuse to renew a cigarette and tobacco products retail license under the following circumstances:

1. The retailer violates certain restrictions relating to the sale of cigarettes and tobacco, such as selling cigarettes in a form other than as a package or container on which a cigarette tax stamp is affixed
2. The retailer's premises are disorderly, riotous, indecent, or improper
3. The retailer fails to maintain the premises according to sanitation standards prescribed by the department of health services
4. The retailer has permitted known criminals or prostitutes to loiter on the premises
5. The retailer has been convicted of manufacturing, distributing, or delivering, or possessing with the intent to manufacture, distribute, or deliver, a controlled substance or controlled substance analog
6. The retailer knowingly allowed another person on the licensed premises to manufacture, distribute, or deliver, or possess with the intent to manufacture, distribute, or deliver, a controlled substance

The bill would allow a resident or authorized employee of the municipality that issued a license to file a complaint with the municipal clerk regarding the circumstances listed above. If a municipality must find the allegations to be true and finds sufficient grounds for suspension, revocation, or nonrenewal, the license must be suspended for 10 to 90 days, revoked, or not renewed. Upon revocation of a license, a retailer may not obtain another license for one year and the municipality may not refund any part of the fee paid for the license. A municipal governing body's decision may be reviewed by the circuit court for the county in which the license was issued.

The department does not expect the bill to have a significant impact on local retail license fee revenue. The bill may lead to increased costs for local governments related to administrative and enforcement actions.

Long-Range Fiscal Implications