

AMENDED IN ASSEMBLY JUNE 29, 1998

AMENDED IN SENATE APRIL 29, 1998

AMENDED IN SENATE APRIL 14, 1998

**SENATE BILL**

**No. 2134**

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**Introduced by Senator Burton**

February 20, 1998

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An act to amend Section 30163 of the Revenue and Taxation Code, relating to taxation, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 2134, as amended, Burton. Cigarette tax: foreign sale cigarettes.

The Cigarette and Tobacco Products Tax Law requires that an appropriate stamp be affixed to, or that an appropriate meter impression be made upon, each package of cigarettes prior to distribution.

This bill would modify these requirements to prohibit any stamp or meter impression from being affixed to, or made upon, packages of cigarettes unless those packages comply with federal requirements for labels, warnings, or other information to be placed on packages of cigarettes to be sold within the United States, and would require the State Board of Equalization to revoke the license issued to a distributor that is determined to be in violation of these stamping or metering requirements. By creating a new crime in the form of a misdemeanor for a violation of these requirements, this bill would establish a state-mandated local program.

*This bill would also state the intent of the Legislature to align state law with federal policy and regulations pertaining to the labeling of cigarettes manufactured in the United States and distributed in California.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~ <sup>2/3</sup>. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. *The Legislature hereby finds and*  
 2 *declares:*  
 3 *(a) California is in agreement with the policies and*  
 4 *Congressional intent enacted as part of the Federal*  
 5 *Cigarette Labeling and Advertising Act (15 U.S.C. Sec.*  
 6 *1331 and following), including the goal to do all of the*  
 7 *following:*  
 8 *(1) Adequately inform the public about any adverse*  
 9 *health effects of cigarette smoking by inclusion of*  
 10 *warning notices on each package of cigarettes.*  
 11 *(2) Not impede commerce and the national economy*  
 12 *by diverse, nonuniform, and confusing cigarette labeling*  
 13 *and advertising regulations with respect to any*  
 14 *relationship between smoking and health.*  
 15 *(3) Provide a strategy for making Americans more*  
 16 *aware of any adverse health effects of smoking.*  
 17 *(4) Assure the timely widespread dissemination of*  
 18 *research findings.*  
 19 *(5) Enable individuals to make informed decisions*  
 20 *about smoking.*  
 21 *(b) It is the intent of the Legislature to align state law*  
 22 *with federal policy and regulations. In so doing, it is*  
 23 *necessary to clarify that a product manufactured and*



1 *labeled for export or for consumption outside of the*  
2 *United States becomes an import if sold within California,*  
3 *and, thus, must comply with state and federal tax laws and*  
4 *the Federal Cigarette Labeling and Advertising Act (15*  
5 *U.S.C. Sec. 1331 and following). Modification or alteration*  
6 *of packaging to conceal the original packaging by the*  
7 *manufacturer is prohibited.*

8 SEC. 2. Section 30163 of the Revenue and Taxation  
9 Code is amended to read:

10 30163. Except as otherwise provided in this section,  
11 an appropriate stamp shall be affixed to, or an appropriate  
12 meter impression shall be made on each package of  
13 cigarettes prior to the distribution of the cigarettes. No  
14 stamp or meter impression may be affixed to, or made  
15 upon, any package of cigarettes unless that package  
16 complies with all requirements of the Federal Cigarette  
17 Labeling and Advertising Act (15 U.S.C. ~~Sections~~  
18 ~~1331-1341~~) *Sec. 1331 and following*) for the placement of  
19 labels, warnings, or any other information upon a package  
20 of cigarettes that is to be sold within the United States.  
21 Pursuant to its authority under Section 30148, the board  
22 shall revoke the license issued to a distributor that is  
23 determined to be in violation of this section.

24 ~~SEC. 2.—~~

25 SEC. 3. No reimbursement is required by this act  
26 pursuant to Section 6 of Article XIII B of the California  
27 Constitution because the only costs that may be incurred  
28 by a local agency or school district will be incurred  
29 because this act creates a new crime or infraction,  
30 eliminates a crime or infraction, or changes the penalty  
31 for a crime or infraction, within the meaning of Section  
32 17556 of the Government Code, or changes the definition  
33 of a crime within the meaning of Section 6 of Article  
34 XIII B of the California Constitution.

35 Notwithstanding Section 17580 of the Government  
36 Code, unless otherwise specified, the provisions of this act  
37 shall become operative on the same date that the act  
38 takes effect pursuant to the California Constitution.

39 SEC. 4. *This act is an urgency statute necessary for the*  
40 *immediate preservation of the public peace, health, or*



1 *safety within the meaning of Article IV of the*  
2 *Constitution and shall go into immediate effect. The facts*  
3 *constituting the necessity are:*

4 *In order to secure compliance with federal laws and*  
5 *regulations pertaining to the labeling of cigarettes*  
6 *manufactured in the United States and distributed in*  
7 *California, it is necessary that this act take effect*  
8 *immediately.*

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