



## CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

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GAVIN NEWSOM  
Governor

NICOLAS MADUROS  
Director

December 10, 2019

Honorable Holly J. Mitchell, Chair  
Joint Legislative Budget Committee  
1020 N Street, room 553  
Sacramento, CA 95814

Attention: Ms. Jennifer Troia

**Re: Cigarette and Tobacco Products Licensing Act Law Section 22990.7, Annual Report to the Legislature**

Dear Chairwoman Mitchell:

Pursuant to the requirements of the Cigarette and Tobacco Products Licensing Act Law Section 22990.7, this report summarizes the California Department of Tax and Fee Administration's (CDTFA) data about whether the annual licensing fee funding levels are set at an appropriate level to maintain an effective enforcement program for the *Cigarette and Tobacco Products Licensing Act of 2003*. This report includes the total revenue collected and total cost incurred during Fiscal Year 2018-19, as well as the beginning and ending balances of the Cigarette and Tobacco Products Compliance Fund (3067).

For Fiscal Year 2018-19, the total revenue collected was less than the total cost of the program. However, due to the available fund balance, there are sufficient resources to support the program at this time.

Beginning Fund 3067 Balance (Adjusted):	\$ 12,961,836
FY 2018-19 Revenue Collected:	\$ 10,886,407
FY 2018-19 CDTFA Administrative Cost:	-\$ 9,892,556
FY 2018-19 State Expenses:	-\$ 1,428,767
Ending Fund 3067 Balance:	\$ 12,506,919

If you have questions regarding this report, please contact Mr. Steven Mercer at (916) 309-1339.

Sincerely,

Nicolas Maduros  
Director

NM: js2: SM

cc: The Honorable Anna Caballero, Chair, Senate Budget and Fiscal Review, Subcommittee #4  
The Honorable Anthony Portantino, Chair, Senate Committee on Appropriations  
The Honorable Mike McGuire, Chair, Senate Governance and Finance Committee  
The Honorable Philip Y. Ting, Chair, Assembly Committee on Budget  
The Honorable Jim Cooper, Chair, Assembly Budget Subcommittee #4  
The Honorable Adrin Nazarian, Member, Assembly Budget Subcommittee #4  
The Honorable Lorena Gonzalez, Chair, Assembly Committee on Appropriations  
The Honorable Autumn Burke Chair, Assembly Committee on Revenue and Taxation  
Mr. Che Salinas, Deputy Secretary Legislation, Office of the Governor  
Mr. Kris Cook, Department of Finance  
Mr. Chris Hill, Department of Finance  
Mr. Derk Symons, Department of Finance  
Mr. Jay Chamberlain, Department of Finance  
Ms. Erika Contreras, Secretary of the Senate  
Mr. Seth Kerstein, Legislative Analyst's Office  
Ms. Tina McGee, Legislative Analyst's Office  
Ms. Sue Parker, Assistant Chief Clerk of the California State Assembly  
Ms. Amy Leach, Office of the Chief Clerk of the California State Assembly  
Mr. Joe Stephenshaw, Staff Director, Senate Budget Fiscal and Review Committee  
Mr. Mark McKenzie, Staff Director, Senate Appropriations Comm. ittee  
Mr. Colin Grinnell, Staff Director, Senate Governance and Finance Committee  
Mr. Christian Griffith, Chief Consultant, Assembly Committee on Budget  
Ms. Genevieve Morelos, Consultant, Assembly Budget Subcommittee #4  
Mr. Jay Dickenson, Chief Consultant, Assembly Committee on Appropriations  
Mr. Luke Reidenbach, Principal Consultant, Assembly Committee on Appropriations  
Mr. M. David Ruff, Chief Consultant, Assembly Revenue and Taxation Committee  
Ms. Diane Boyer-Vine, Legislative Counsel  
Mr. Jim Lasky, Office of Legislative Counsel  
Ms. Katie Hagen (MIC 104)  
Mr. Jason Mallet (MIC 25)  
Ms. Susanne Buehler (MIC 43)  
Ms. Michele Linton (MIC 105)  
Ms. Trista Gonzalez (MIC 92)  
Ms. Lisa Sherrod (MIC 31)  
Ms. Aimee Olhiser (MIC 75)  
Ms. Sandy Barrow (MIC 31)