

Department of Finance		Fund: 3075
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
Legal Title Unlawful Sales Reduction Fund		
Legal Citation/Authority Chapter 687, Statutes of 2002 (AB 2205) Revenue and Taxation Code sections 30474 - 30474.5		
Fund Classification GAAP Basis Governmental/Special Revenue Funds	Fund Classification Legal Basis Governmental/Other Governmental Cost Funds	
Purpose The enactment of AB 2205 increases the penalty for knowingly selling or offering to sell any package of cigarettes lacking a stamp indicating lawful payment of cigarette and tobacco products taxes from \$100 to \$200 for each carton of 200 cigarettes. The Unlawful Sales Reduction Fund was created to deposit the additional \$100 penalty. The money in the fund will be allocated to the California Emergency Management Agency for the funding of a competitive grant program to be established by the Legislature to award grants to local jurisdictions for the purpose of establishing a multiagency task force for the purpose of reducing the sales of black-market cigarettes and other associated offenses and related crimes. No more than 5 percent of the amount transmitted from the penalty of \$100 assessed under this section will be retained to fund the costs of administering the competitive grant program.		
Administering Agency/Organization Code California Emergency Management Agency/Org 0690		
Major Revenue Source Penalties assessed under Section 30474.5.		
Disposition of Fund (upon abolishment) Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.		
Appropriation Authority The money in this fund will be allocated to the California Emergency Management Agency, upon appropriation by the Legislature for the funding of the grant program.		
State Appropriations Limit Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from fines and penalties.		

Comments/Historical Information

Pursuant to Sections 30474.5 (f)(1) and (2), the \$200 penalty will be imposed until January 1, 2006, and remain in effect until December 1, 2006, or until all the funds remaining in the Unlawful Sales Reduction Fund have been appropriated by the Legislature for allocation to the California Emergency Management Agency, whichever occurs later.

Per Chapter 372, Statutes of 2008, the Office of Emergency Services and the Office of Homeland Security are merged to form the California Emergency Management Agency.