

**RESOLUTION NO. 260 -2014, DIRECTING THE COUNTY ATTORNEY TO EXAMINE THE FEASIBILITY OF COMMENCING A LEGAL ACTION AGAINST MAJOR CIGARETTE MANUFACTURERS**

**WHEREAS**, the 1998 Tobacco Master Settlement Agreement (“MSA”) between the states and major tobacco companies required the tobacco companies to make annual payments to the states to compensate them for some of the medical costs incurred for treating persons for smoking related illnesses; and

**WHEREAS**, the State of New York distributes a portion of the money it receives under the MSA to the State’s 62 counties; and

**WHEREAS**, the amount of monies allocated to the County of Suffolk under the MSA is determined, in part, by the number of cigarettes sold within the County; and

**WHEREAS**, cigarettes sold on Indian reservations to Native American residents/members are not subject to MSA calculations; and

**WHEREAS**, recent investigations have revealed that smoke shops located on Indian reservations in Suffolk County have sold massive quantities of cigarettes to members of the general public and these cigarettes have been resold on the black market; and

**WHEREAS**, as a result of these illicit sales, the County of Suffolk has been deprived of millions of dollars of lost sales tax revenues and MSA settlement monies; and

**WHEREAS**, it is reasonable to believe that the major cigarette manufacturers understood that most of the cigarettes sold on the Indian reservations would not be sold to members of any tribe, but rather would end up on the black market; and

**WHEREAS**, the County of Suffolk has already initiated a legal proceeding to recover lost sales tax revenues as a result of Indian reservation cigarette sales; and

**WHEREAS**, the County of Suffolk should study the feasibility of commencing legal proceedings against cigarette manufacturers to recover monies it would have rightfully received under the MSA; now, therefore be it

**1st RESOLVED**, that the Suffolk County Department of Law is hereby authorized, empowered and directed to study the feasibility of bringing any and all legal actions in any judicial and/or administrative forum against cigarette manufacturers to recover monies it would have rightfully received under the MSA but for the wrongful sale of massive quantities of cigarettes to smoke shops on Indian reservations; and be it further

**2nd RESOLVED**, that the County Attorney shall submit a written report of his findings and determinations to the County Executive and each member of the Suffolk County Legislature no later than 60 days subsequent to the effective date of this resolution; and be it further

**3rd**            **RESOLVED**, that this Legislature, being the State Environmental Quality Review Act (SEQRA) lead agency, hereby finds and determines that this resolution constitutes a Type II action pursuant to Section 617.5(c)(20), (21) and (27) of Title 6 of the NEW YORK CODE OF RULES AND REGULATIONS (6 NYCRR) and within the meaning of Section 8-0109(2) of the NEW YORK ENVIRONMENTAL CONSERVATION LAW as a promulgation of regulations, rules, policies, procedures, and legislative decisions in connection with continuing agency administration, management and information collection, and the Suffolk County Council on Environmental Quality (CEQ) is hereby directed to circulate any appropriate SEQRA notices of determination of non-applicability or non-significance in accordance with this resolution.

DATED: March 19, 2014

APPROVED BY:

/s/ Steven Bellone  
County Executive of Suffolk County

Date: April 3, 2014