

## THE TOBACCO INSTITUTE

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### MEMORANDUM

November 26, 1991

TO: TI Management Committee

FROM: Bob McAdam

SUBJECT: Colorado Tax Initiative

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There are two potential avenues through which we could be faced with a 25-cent per pack tax initiative in Colorado in 1992.

First, the Supreme Court heard oral arguments on the suit filed by the proponents of the 1990 tobacco tax initiative. A decision is expected from the court in early 1992 concerning the process of invalidating a number of the signatures last year. Should the court rule in favor of the proponents, it is likely that the Secretary of State would place the issue on the ballot for the November 1992 election.

Second, a group of health organizations, currently unaffiliated with the 1990 proponents, is considering an initiative that would impose an additional tax dedicated to a variety of anti-smoking efforts. The language for this initiative has not yet been offered, nor is it clear exactly when the proponents will launch this effort. It is entirely possible that they are waiting for the disposition of the court case before they come forward.

Unlike the 1990 cast, the 1992 proponents are sophisticated and well funded. They have conducted some extensive survey research in their effort to craft the initiative in a way that will be most saleable to the electorate. Furthermore, their increased sophistication is likely to reduce our chances for success in challenging the validity of their signatures.

Proponents have until May 11, 1992 to meet in joint conference with Legal Services and Legislative Counsel representatives. This would be followed by a May 20, 1992 deadline to meet with the title setting board before beginning to circulate for signatures. Following this approval, the proponents have until August 3, 1992 to submit 49,279 valid signatures to place the issue on the ballot.

Pancho Hays has been heading up our legal team fighting the 1990 initiative and has begun to organize the effort necessary to launch our opposition to any future initiative. In anticipation of the coming battle, we have retained the services of an individual who can begin to set the stage for our editorial board work and for responding to the inevitable press inquiries following either the Supreme Court decision or the filing of an additional initiative. In conjunction with that preparation, we need to conduct some survey research to determine the current disposition of the electorate on the tobacco tax issue.

RSM/mln

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