

1991 LEGISLATIVE ANALYSIS MICHIGAN

In planning for the post election session and the 1991 session of the Michigan legislature, there are some political variables which cannot be evaluated until after the November election. At this time, it appears that the Democrats will retain control of the Governor's office and the House of Representatives. The Republicans seem to be able to maintain a majority in the Senate.

Polls indicate, however, that Senator John Englar is gaining on Governor Blanchard and that the race is becoming competitive. If Englar upsets Blanchard, our task could be become less difficult. For example, we would not anticipate pressure from an Englar Administration for a cigarette tax increase and enactment of the T-2000 and other anti-tobacco programs. If Blanchard is re-elected, we anticipate harsh measures originating inside the administration. They will vigorously pursue implementation of the T-2000 programs and look to tobacco taxes to fill a large portion of the projected deficit.

Status quo in the House and Senate will enable us to forestall most restrictive legislation. Senator Sederburg, a vocal anti-tobacco legislator, is retiring and Senator Faxon, our other nemesis, is in a very close race. If he is defeated, the anti-tobacco advocates will have to identify and cultivate new lead legislators. This should provide some brief relief to the "social" issues. The T-2000 program will continue to be pushed by the anti-tobacco lobby with an emphasis on taxes to pay for health care. The tax debate will be particularly troublesome with Blanchard re-elected.

We will meet with all TI counsel, industry counsel, and industry representatives after the election to finalize our strategy to defeat any tax proposals. If, at that time, we believe a full mobilization including an extensive advertising program is needed, we would request the involvement of Bob McAdam to develop such a program for presentation to the State Activities Policy Committee. In addition, we will begin finalizing our plans to adopt proactive legislation we are proposing.

STATE TAX PLAN

MICHIGAN

LEGISLATIVE ACTION September 25, 1990

STATE/LOCALITY: MICHIGAN

BILL NUMBER:

ISSUE: Excise Taxes

SUMMARY:

SPONSOR: To be determined

INTRO DATE: Prefile or with budget proposal

COMMITTEE: House Ways and Means

HEARING DATE: To be determined

BILL COPY TO DC:

LEGISLATIVE STATUS: Anticipated December 1990 or the spring session of 1991.

INDUSTRY ACTION

The campaign for Governor pits the incumbent Jim Blanchard (D) against the President pro tem of the Senate, John Engler (R). At the present, the race seems to be Blanchard's to lose. If Blanchard is the winner, we should be prepared for four years of anti-tobacco legislation in taxes as well as several social issues related to our industry. Republicans should retain control of the Senate. Our greatest strength in combating the 25-cent per pack proposal should be in the Senate. Senator Sederburg has retired from the Senate and Senator Faxon is in a tough re-election campaign. (His defeat would aid our cause.)

The Governor's Michigan Tobacco Reduction Task Force has determined 1991 as the year to double the tax on cigarettes independent of any budget requirements. The state anticipates a shortfall for this coming year's budget.

Under the leadership of TI, legislative consultant direct lobbying efforts are being channeled to legislative leaders, including the Speaker and President Pro Tem of the Senate.

Regular meetings will result in an organized approach, with distribution of lobbying activities assigned to appropriate members of the team. In addition, we have a labor

consultant to improve relationships with members of the liberal and labor communities.

RESOURCES NEEDED YES/NO DATE NEEDED

After the November election, we will meet to finalize our strategy. We anticipate consideration of a media and point-of-sale program to be used if a strong tax problem is predicted. A proposal will be forwarded to the State Policy Committee for their approval, if it is agreed to by the industry in Michigan.

ECONOMIC ANALYSIS/FACTSHEET? YES December 1, 1990

TI staff and consultants will prepare a detailed economic impact study on excise taxes. The study will be shared with appropriate lawmakers, allies and other groups. One-on-one sessions with lawmakers and third-party experts and meetings with business and labor allies will be held encouraging them to distribute our information.

LEGAL MEMORANDUM? NO

EXPERT WITNESSES? YES Dec. 1990-Jun. 1991

We want to use the services of Professor Dwight Lee, sponsored by the Michigan State Chamber of Commerce, to present the coalitions objections to excise taxes before the House and Senate hearings.

COALITION ALLIES? YES

Michigan Grocers Association
Michigan Distributors and Vendors Association
Michigan Retailers Association
Michigan State Chamber of Commerce
Selected labor unions co-ordinated by Doug Weiland
Depending on the extent of proposed tax increases, we will try to use the coalition to fight tax increases and not the tobacco industry.

TI GRASSROOTS MOBILIZATION? YES

Phone bank and letter writing campaign from TAN lists.

COMPANY RESOURCES? YES

Smokers list action via letters and phone bank will be requested from the Philip Morris and R. J. Reynolds Tobacco Company. We will request their sales personnel participate in any retail campaign instituted.

PUBLIC AFFAIRS/MEDIA RESOURCES? YES

Media tours on the social cost issue in conjunction with TI headquarters' staff, as needed. Through regular meetings with allies, a broad-based anti-excise tax coalition has been formed. Key members of the group include the State Chamber of Commerce, state distributors and vendors, the Michigan Retail Grocers Association, and through the work of Doug Weiland various labor unions in Michigan. We are also encouraging the full participation of key members of the labor and minority communities to improve relationships with legislators representing these important groups

ADDITIONAL NEEDS? NO

**PRO-ACTIVE PROPOSAL
DISCRIMINATION**

MICHIGAN

LEGISLATIVE ACTION

September 25, 1990

STATE/LOCALITY:

MICHIGAN

ISSUE:

Protection of smokers against discrimination in employment.

SUMMARY:

Legislation to prevent discrimination in hiring and employment of smokers for smoking during non-working hours.

SPONSOR:

To be determined

INTRO DATE:

Prefiled

COMMITTEE:

To be determined

HEARING DATE:

To be determined

BILL COPY TO DC:

As soon as made available to us.

INDUSTRY ACTION

Due to the introduction of the Michigan Tobacco Reduction Task Force legislative package and the State Board of Health advertising campaign against tobacco use, an up-front approach is not recommended. Legislation similar to the Colorado bill might be feasible if presented by a third party with tobacco interests providing support behind the scenes.

RESOURCES NEEDED	YES/NO	DATE NEEDED
ECONOMIC ANALYSIS/FACTSHEET?	NO	
LEGAL MEMORANDUM?	YES	

Any legal arguments which would assist us in demonstrating the need for this legislation in an "at will" state like Michigan should be done by C&B. In addition, an overview of employment law in relation to employee rights off the job would be very helpful with our allies and legislators.

EXPERT WITNESSES?	YES
--------------------------	-----

We will need a legal expert like John Fox to present the legal foundation for the issue before the House and Senate hearings.

COALITION ALLIES? YES

We will attempt to get union support via Doug Weiland, TI labor management consultant. In addition, support from the ACLU will be considered. The usual business allies are likely to oppose this type of legislation, because it further weakens the "at will" theory of employment law in Michigan.

TI GRASSROOTS MOBILIZATION? NO

COMPANY RESOURCES? YES

Letters and phone bank from companies, at the appropriate time would indicate grassroots support.

PUBLIC AFFAIRS/MEDIA RESOURCES? YES

Any case histories of smokers being discriminated against should be released to the media during the legislative process. Hopefully, maximizing the press coverage of the Bone case could have an impact in identifying such individuals in Michigan.

The use of Doug Weiland will generate labor support and solidify their interest in the issue. Such support will be necessary for them to take the lead in the issue, particularly if the T-2000 program and other anti-tobacco legislation is seriously considered.

**PRO-ACTIVE PROPOSAL
PREEMPTION**

MICHIGAN

LEGISLATIVE ACTION September 25, 1990

STATE/LOCALITY: MICHIGAN

ISSUE: Preemption of local sampling, advertising, and vending restrictions.

SUMMARY: Due to activities of the Michigan Task Force on tobacco and local ordinances being implemented, we want to obtain preemption of local government action in these areas.

SPONSOR: To be determined

INTRO DATE: Prefiled

COMMITTEE: To be determined

BILL COPY TO DC: We have language approved by C&B and the Policy Committee for sampling and vending, but we need language for outdoor advertising to include in this bill

INDUSTRY ACTION

Due to numerous bills being filed by the anti-tobacco movement and the T-2000 report, we anticipate using our language as tools for compromise during the legislative process. The House Health Committee will, in all likelihood, hear these bills and we would like to be seen as cooperative to both sides. This should put us in a position to get the language we want.

RESOURCES NEEDED	YES/NO	DATE NEEDED
ECONOMIC ANALYSIS/FACTSHEET?	YES	
LEGAL MEMORANDUM?	YES - regarding each issue	
EXPERT WITNESSES?	YES - for hearings	

We need an expert witness from C&B to answer any legal questions regarding the proposed legislation at the legislative hearings.

COALITION ALLIES? YES

Grocers Association
Michigan Distributors and Vendors Association
Outdoor Advertising Association
State Chamber of Commerce
We will coordinate testimony from these groups at all hearings.

TI GRASSROOTS MOBILIZATION? NO

COMPANY RESOURCES? YES

We request the companies contact retailers and outdoor advertising companies to use their political clout for the passage of this legislation.

PUBLIC AFFAIRS/MEDIA RESOURCES? YES

To respond to inquiries from the press regarding any questions on the need for this type of legislation.