

and education. Christina M. Pimmell from St Louis wants the money returned to ailing smokers and Arnalla Jaycox wants it spent on research, drug subsidies and hospitals (St Louis Post-Dispatch,3/12).

GA: Voters, Lawmakers Diverge

According to a statewide poll, a majority of voters want the State's \$4.8 billion settlement money installment used for anti-smoking programs. In the poll commissioned by the Washington-based Campaign for Tobacco-Free Kids, the voters welcome anti-smoking programs, especially those aimed at preventing youth smoking. But they are "outraged" at lawmakers who are not adequately funding the programs.

Gov. Roy Barnes has other ideas, advocating one-third of the tobacco money for rural economic development and the rest of it for healthcare. Though he would devote \$20.8 million to anti-smoking programs, activists demand at least \$42 million, representing 28 percent of the first year's proceeds (Atlanta Journal and Constitution,3/11).

ID: Tobacco Money To Cut County Healthcare Bills

On March 10th, the House approved a \$2.3 million package that would reduce county property tax spending on healthcare for the poor suffering from tobacco-related diseases. The proposal envisages reimbursing counties for the amounts they spend on treatment of certain cancers linked to smoking. Lawmakers admit, however, that the amount is small compared to what counties say they spend on such diseases. The package also allocates \$500,000 for anti-smoking programs and a similar amount for anti-tobacco advertisements (Associated Press 3/11).

Illinois Attorney General Defends His Role

Attorney General Jim Ryan contended that no other public official could have done more than he did in pursuing the State's lawsuit against the tobacco industry. Responding to a piece by columnist David Greising's, Ryan said Illinois' \$9.1 billion settlement money will be used for anti-smoking programs, healthcare and research. He also defended the State's lawyers' contingency fee of 10 percent as the lowest at the time the case was filed. Further, he insisted, generous contracts were needed to fight the army of lawyers representing the tobacco industry. Ryan reiterated, "I honor all contracts my office signs, and most of all, I honor my duty to the public."

The State's lawyers were awarded \$121 million by an independent arbitration panel - which the attorneys have called unsatisfactory (Chicago Tribune 3/11).

Indiana Governor Signs Law To Allocate Tobacco Money

On March 13th, Indiana Governor Frank O'Bannon signed bipartisan legislation allocating a total of \$112.5 million of the national tobacco settlement money to various health and smoking prevention programs effective July 1st. Under the legislation, the State will spend \$35 million on smoking cessation and prevention efforts, \$25 million towards community health centers, \$28 million on children's health insurance, \$4.5 million for county health boards, and \$20 million to help low-income senior citizens pay for prescription drugs. "We are one of very few states spending 100 percent of the money on health," Rep. Michael Murphy stated (AP 3/14).

Excise Taxes

NY: Cigarette Smugglers Rake It In

High taxes on cigarettes are making inter-State smuggling a lucrative business with a truckload reportedly earning nearly \$60,000 on the black market. Authorities fear organized gangs could move in to exploit the trend. Smugglers were helped on March 1st, when taxes were hiked by 55 cents a pack. They are said to buy in bulk from states like Virginia where the tax is the lowest and then re-sell in New York. As reported last week, officials are considering suing tobacco companies whom they accuse of complicity.

On March 3rd, a four-man operation was caught in Brooklyn with 2,300 cartons of cigarettes with an estimated street value of \$100,000 (New York Post 3/10, New York Daily News 3/11).

NY: Cigarettes Boom On Reservations

Cigarette and gasoline sales are booming in Indian reservations due hefty price and tax hikes. On reservations, a pack of cigarettes can cost \$2.29 while elsewhere in the State the price zooms to about \$4. Some non-reservation convenience stores stand to lose between 30 and 50 percent of their business as a result (Associated Press, 3/15).

James E. Porter
Issues Manager

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