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INTRODUCTION

The following report is a summary of major legislative events that affected the tobacco industry at the state and local level in 1981.

The major areas of concern, namely: restrictive smoking bills, cigarette tax increase legislation, and sampling/advertising proposals have been amplified to show a comparison between the number of bills introduced and passed this year and the number of bills introduced and passed the last several years.

The most significant problem the industry faced this year was the large number of cigarette tax increase bills introduced and passed. Due to the evolving relationship between the Federal government and the states, the industry expects the cigarette tax to be a principal target for state and local officials seeking additional revenue in 1982.

Twenty-two states will "carry-over" 1981 pending legislation to 1982 calendars (see Special Section). 1982 is also an election year in a majority of the states.

Besides the legislative summary, the report also includes:

- 1982 Legislative Sessions
- States that carry bills over to 1982
- TAP/TAN Action Requests in 1981
- State Cigarette Tax Range Changes for 1982

1981 Legislative Summary

The following is a numerical summary of all tobacco legislation monitored by the Tobacco Institute (TI) and the Tobacco Tax Council (TTC) in 1981 on the state level:

Public Smoking Restrictions	101
Cigarette Tax Increases	62
Cigarette Tax Reductions	2
Advertising	10
Advertising/Sampling	1
Sampling	12*
Insurance	9
Taxation: DEDICATION OF CIGARETTE TAX	3
Taxation: LITTER CONTROL	22
Schools	25
Minors	10
Resolutions	14
Miscellaneous	20
Regulatory	1
<hr/>	
TOTAL.....	292

Every legislature met in 1981 except Kentucky. Five legislatures (Arkansas, Montana, Nevada, North Dakota, Oregon) are not scheduled to convene in regular session in 1982. Forty-five legislatures convene in even-numbered years. Odd-numbered years have 49 legislatures in session.

The following is a numerical summary of state restrictive smoking bills introduced beginning in 1978.

TABLE A

State Restrictive Smoking Bills Introduced

<u>Year</u>	<u>Introductions</u>	<u>Passed</u>
- 1978	100	7
- 1979	125	8
- 1980	98	1
- 1981	101**	10**

* Includes five bills monitored on the local level.

**Includes 2 regulations.

Table A does not reveal a significant increase or decrease in restrictive smoking bill introductions over the 4 year period. In 1979, eight restrictive smoking bills were enacted in California, Connecticut, Maryland, Montana, Nebraska, Oregon, Rhode Island, and District of Columbia. This year, ten bills were approved in seven states. However, a review of the bills enacted in 1979 show at least five to be comprehensive restrictive smoking measures (smoking prohibited in most public places) whereas, the bills enacted in 1981 prohibited smoking in certain areas, i.e. government buildings.

A complete review of restrictive smoking legislation on the state and local level in 1981 is outlined in Section I.

The following is a numerical summary of state cigarette tax increase bills introduced beginning in 1976.

TABLE B

<u>Year</u>	<u>Introductions</u>	<u>Passed</u>
1976	53	1
1977	60	4
1978	45	1
1979	39	4
1980	51	2
1981	62	6

Six cigarette tax increase bills were enacted in 1981. This total is the highest since 1971 when 19 cigarette tax bills were enacted (six bills were enacted in 1975). Since 1950, the tax burden on cigarettes at the state level has increased 108%. The cigarette tax burden has increased 24% since 1969. In 1965, the average state cigarette tax was 8 cents. The average state cigarette tax is now 14 cents.

A complete review of cigarette tax increases and reductions in 1981 on the state and local level is outlined in Section II.

The following is a numerical summary of state and local cigarette sampling ban proposals introduced since 1977.

TABLE C

1975	0
1976	0
1977	2
1978	5
1979	7
1980	10
1981	12

No state bans the free distribution of cigarettes in public places. Three localities in Minnesota have local cigarette sampling bans: St. Paul, Minneapolis, and Albert Lea.

Table C shows a steady increase in the introduction of cigarette sampling bans on the state and local level. Many anti-tobacco organizations have identified cigarette sampling ban legislation as a means to reduce the number of cigarette smokers. Legislators have expressed concern over minors receiving cigarettes through sampling. The industry expects cigarette sampling ban legislation to be a sizeable problem in 1982.

A complete review of cigarette sampling ban legislation on the state and local level and anti-tobacco advertising legislation in 1981 is outlined in Section III.

Section IV outlines the self-extinguishing cigarette controversy on the state and local level in 1981.

Section I

Restrictive Smoking-State

1981 Summary

***10 Bills Approved in 7 States
 28 Bills Pending in 15 States
 63 Bills Defeated in 18 States

Smoking restriction laws were enacted in 7 states in 1981. The states and the number of bills approved were:

Maine	(2)	Oregon	(1)
Montana	(1)	Vermont	(1)
New Hampshire	(1)	Washington	(1)
New Jersey	(3)		

The laws enacted by the states of Maine, New Hampshire, and Oregon were watered-down versions of more comprehensive restrictive bills commonly known as "Clean Indoor Air Acts."

The following is a brief summary of the new state restrictive smoking laws enacted in 1981.

Maine - The proposal was a comprehensive Clean Indoor Air Act that restricted smoking in most public places. ~~However, the measure was amended to prohibit smoking at government meetings. The new law does not carry a penalty provision.~~ The bill (L.D 395) was introduced by Edward L. Dexter (R-38-Avon Co.). The measure was signed by Governor Joseph Brennan (D) on May 27, 1981, effective September 17, 1981. TAP/TAN members wrote letters to their elected state officials to express opposition to L.D. 395.

Maine's Human Rights Commission ruled in favor of a state employee who sought a smoke free environment because of a breathing problem. The employer was ordered to find a solution to the problem and negotiate a settlement with the employee.

***Includes 2 regulations.

Montana - Governor Ted Schwinden (D) signed a bill (S.794) on April 20 which attaches monetary fines to the current Montana Clean Indoor Air Act. The law states that any person found smoking in any enclosed public place meaning any indoor area, room, or vehicle used by the general public or serving as a place of work could be charged with a misdemeanor and a fine of not more than \$100. The sponsor of the bill was Representative Robert Ellerd (R-75-Gallatin Co.). The new law was effective July 1, 1981.

New Hampshire - The legislature amended a comprehensive restrictive smoking bill (H.906) to prohibit smoking in all indoor areas that are publicly owned or supported by tax revenues. The Commissioner of Health and Welfare is given rulemaking authority and authority to request the Attorney General to seek appropriate relief to enforce the law. Governor Hugh Gallen (D) signed the bill on June 24, 1981, effective August 23, 1981. The sponsor of the measure was Representative Rita Brack (D-28-Hillsborough Co.). TAP/TAN volunteers wrote letters to their elected state Representatives and Senators to express opposition to H.906.

New Jersey - Governor Brendan T. Byrne (D) signed 3 bills into law on December 3, 1981 which prohibit smoking in elevators (A.1724), educational (A.1726) and health care (A.1725) facilities. Any person violating the law is subject to a fine of not more than \$200. The bills were sponsored by Assemblyman Martin A. Herman (D-3-Gloucester Co.). TAP/TAN volunteers wrote letters to their Assemblymen and State Senators to express opposition to the measures. The new laws go into effect July 4, 1982.

Oregon - On July 25, 1981, Governor Vic Atiyeh (R) signed S.B.370 which restricts smoking in certain enclosed public places including restaurants, retail stores, and other commercial establishments. It is the responsibility of the owner or proprietor to designate smoking and nonsmoking sections.

Any person violating the law will be fined no more than \$100 in any 30 day period. Amendments by both the House of Representatives and the State Senate deleted many major industry concerns such as placing the proposal on the 1982 primary ballot. The new law does not include work places. Compliance requirements for bowling centers as well as restaurants were relaxed. The new law was effective October 1, 1981.

Vermont - The Vermont State Health Department adopted regulations to implement a no-smoking policy in all state Health Department buildings throughout the state and in all Health Department offices. The no-smoking policy was effective July 1, 1981.

Washington - On July 8, 1981, the Washington State Board of Health added new regulations to the existing Washington Administrative Code which prohibits smoking in certain places. The new regulations require restaurants seating 75 or more persons to provide mandatory no-smoking sections. Notice of designated no-smoking areas is mandatory. There is no enforcement or penalty provision. The new regulations were effective August 8, 1981.

Pending Legislation

Four state legislatures are considering comprehensive restrictive smoking bills and will carry-over these proposals to 1982. The four states are: Michigan, New York, Pennsylvania, and Wisconsin.

Michigan - Senator Jack Faxon (D-7-Detroit) introduced S.B.486 on October 14, 1981, which restricts or prohibits smoking in restaurants, retail stores, offices, commercial establishments, meeting rooms, educational and health care facilities, auditoriums, arenas, and public conveyances. The Senate Labor Committee held a hearing on December 7 regarding the bill. No action was taken. Further consideration by the Committee on the proposal is not expected

until early next year. TAP/TAN volunteers have written letters to their State Senators to express opposition to the proposal. TAP/TAN volunteers also attended the December 7 hearing.

New York - The Assembly passed the "New York Clean Indoor Air Act" (A.2746) by a vote of 81 to 55 on March 11, 1981. The measure sponsored by Assemblyman Peter Grannis (D-68-Manhattan) is a comprehensive ban of smoking in certain public places including restaurants, work places, retail stores, public transportation, schools, hospitals, auditoriums, theaters, libraries, museums, arenas, meeting rooms, and elevators. Any person violating the act could draw a \$25 fine for the first offense and \$100 for each successive offense. The companion bill in the Senate is S.2400 sponsored by Owen Johnson (R-4-Nassau Co.). The bill is in the Senate Health Committee pending further action. Committee Chairman Tarky Lombardi (R-50-Cortland Co.) will be urged to schedule a hearing on A.2746/S.2400 during 1982. TAP/TAN volunteers wrote letters to their Assemblymen to express opposition to the bill.

Pennsylvania - Representative Michael Dawida (D-26-Pittsburgh) introduced the Pennsylvania "Clean Indoor Air Act" on April 8, 1981. The bill (H.1174) is in the House State Government Affairs Committee. The Committee scheduled its first hearing on the bill for January 7 in Philadelphia. Representative Dawida is looking to gather support for his proposal by generating media coverage in Pennsylvania's major media markets. The bill prohibits smoking in public places, including restaurants, retail stores, arenas, offices and other commercial establishments, or at public meetings except in designated smoking areas.

Wisconsin - On October 13, the Senate passed an amended version of the Wisconsin "Clean Indoor Air Act", S.B.80, by a vote of 24 to 9. The Senate removed a prohibition of smoking in offices from the original bill. The Senate also raised the number of seats in a restaurant from 50 to 75 that are required before the owner/proprietor is obligated to establish smoking and no-smoking sections. (The amended bill prohibits smoking in educational and health care facilities, indoor movie theaters, elevators, government buildings, restaurants with 75 or more seats, and on public transportation.) The Assembly must now act on its version of the bill, A.B.80, plus the amended Senate version. A hearing on the proposals was held by the Assembly State Affairs Committee on January 18. TAP/TAN volunteers are writing letters to their State Representatives to express opposition to A.B.80. Letters were also sent to State Senators during Senate consideration of S.B.80 in October.

Defeated Legislation

The industry defeated 41 restrictive smoking bills in 18 states. Serious consideration was given to "Clean Indoor Air Acts" in the states of Georgia, Illinois, Maryland, Massachusetts, and West Virginia.

The following is a list of defeated restrictive smoking bills:

Arizona	(1)	Mississippi	(3)
Connecticut	(4)✓	Missouri	(4)
Georgia	(1)	✓New Jersey	(16)
Idaho	(1)✓	New Mexico	(1)
Illinois	(1)✓	✓North Dakota	(1)
Indiana	(2)✓	✓Oregon	(1)
Louisiana	(2)	Texas	(1)
Maine	(3)✓	✓Vermont	(1)
Maryland	(3)✓	West Virginia	(4)
Massachusetts	(11)✓	✓Wyoming	(2)

Pre-Filed Legislation-State

Missouri

Representative Phil Curls (D-28-Jackson Co.) has pre-filed H.B.1192, which would restrict smoking in public places except in designated areas. A public place is defined as any enclosed area frequented by the public or serving as a place of work, including restaurants, meeting rooms, and commercial establishments. Factories, private offices occupied exclusively by smokers, and bars would be exempt.

Restrictive Smoking-Local

1981 Summary

35 Ordinances Approved in 35 Localities
15 Ordinances Pending in 15 Localities
15 Ordinances Defeated in 14 Localities

The industry monitored 65 local ordinances that ranged from comprehensive restrictive smoking measures to the prohibition of smoking in government buildings. Four localities adopted new restrictive smoking laws or enlarged the scope of current anti-smoking laws: These localities are: Marin County, California; San Jose, California; Collier County, Florida; and Charlotte County, Florida.

Marin County, California - The County Supervisors passed an ordinance on July 2, 1981 that restricts smoking in most public places including elevators, museums, service lines, and public transportation. The law was effective on August 27, 1981.

San Jose, California - The City Council adopted an ordinance on June 23, 1981, which amends a 1980 restrictive smoking ordinance. The ordinance increases from 50 to 100 the number of seats needed in a restaurant before a restaurant owner/proprietor is required to establish smoking and no-smoking sections.

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The amendment also reduces the no-smoking seating requirement from 50% to 30% of the capacity of the restaurant. The law was effective July 14, 1981.

Collier County, Florida - The County Commission voted 4-1 in favor of a revised County Clean Indoor Air Act that restricts smoking in retail stores, restaurants, hospitals, and commercial establishments. All public areas affected by the revised ordinance must have at least 35% of the seating area designated as a no-smoking area. Any person found violating the ordinance will be subject to a \$500 fine and/or 6 months in jail. The previous ordinance was ruled unconstitutional in a court case in early 1981 due to the vagueness of the statute. An anti-tobacco citizens committee had rewritten the original law and requested the Commission to adopt the revised ordinance. The law was effective immediately. TAP/TAN volunteers wrote letters to their County Commissioners to express opposition to the proposal.

Charlotte County, Florida - The County Commissioners approved a no-smoking ordinance by a vote of 4-0 on December 8th. The ordinance is much tougher than the 1977 no-smoking law which prohibits the smoking of cigarettes, cigars, and pipes in certain public places. An anti-tobacco citizens' committee presented to the Commissioners an ordinance that now prohibits smoking in elevators, retail stores, food stores, health care facilities, public meetings, theaters, public art galleries, libraries or similar cultural facilities, public conveyances, and areas of government buildings to which the general public has access. The police force are charged with the enforcement of the ordinance. TAP/TAN volunteers wrote letters to their County Commissioners to express opposition to the bill. TAP/TAN volunteers also attended the Commission hearings on the measure.

Among the 15 ordinances monitored by the industry and still pending, 4 ordinances deserve special attention in 1982.

Atlanta, Georgia - A restrictive smoking proposal sponsored by Councilwoman Elaine Wiggins Lester was defeated on November 16, 1981 in the City Council's Public Safety and Legal Administration Committee at the request of the sponsor. During the last week in October, Councilwoman Lester distributed a letter and questionnaire to the Atlanta business community soliciting their thoughts on the smoking issue and their support for her ordinance. The mailing was prepared jointly by Councilwoman Lester and the Georgia Chapter of GASP. According to the Tobacco Institute (TI), Councilwoman Lester received few replies to her questionnaire from Atlanta businessmen. Rather than risk defeat before the full Council, Councilwoman Lester requested an adverse vote on her ordinance. The TI expects Councilwoman Lester to reintroduce the ordinance in early 1982. TAP/TAN volunteers wrote letters to their Councilmen to express opposition to the ordinance.

Montgomery County, Maryland - The County Council will meet on February 11, 1982 to discuss an ordinance that amends the current no-smoking law. The Bethesda Chamber of Commerce will present to the Council an economic impact study detailing the potential impact on the County's business community by the proposed ordinance. (The ordinance expands the current no-smoking law to create no-smoking sections in restaurants seating 50 or more persons. The proposal would also create smoking and no-smoking sections in offices of 25 or more people.) The present law prohibits smoking in elevators, retail stores, health care facilities, government owned buildings, educational facilities, and theaters except in designated smoking areas. TAP/TAN volunteers wrote letters to their County Councilmen to express opposition to the ordinance.

Cambridge, Massachusetts - The City Council will reconsider an ordinance in early 1982 that expands the current no-smoking law to require restaurants with seating capacities of 50 or more to designate 25% of those seats as no-smoking sections. The ordinance also includes a ban on the free distribution of cigarettes in public places. The Council rejected the ordinance on December 21, 1981, by a vote of 5 to 4. However, a motion to reconsider the ordinance passed by a 5 to 4 margin on December 28, 1981, thus placing the issue on the 1982 agenda.

* New York, New York - The New York City Board of Health is considering a proposal to expand the present city no-smoking law to require the owner, leasee, or person in charge of the facility to post signs, request persons who are smoking in no-smoking areas to refrain from smoking and take any other measures which may be appropriate. Any person violating the provisions of the Health Code would be subject to a fine and/or imprisonment. As a result of an October 29 meeting, the Board voted unanimously to send the proposal back to the Department of Health for further study. The Board expressed concern that the liability extension to the owner was too vague. An anti-tobacco citizens' committee known as the Riverside Association is the prime supporter of the measure. Further action on the measure is expected during the early part of 1982.

Smoking restriction ordinances were defeated in the following localities:

Kern County, CA	(1)	East Wheatfield TWP, PA	(1)
Greeley, CO	(1)	State College, PA	(1)
Dade County, FL	(1)	Norfolk, VA	(1)
Lee County, FL	(1)	Brown County, WI	(1)
Port Everglades, FL	(1)	Rock County, WI	(2)
Hillsborough, NJ	(1)	Wisconsin, WI	(1)
Lewis County, NY	(1)	Wisconsin Rapids, WI	(1)

Section IICigarette Taxes - State1981 Summary

6 Bills Approved in 6 States
15 Bills Pending in 8 States
42 Bills Defeated in 20 States

Cigarette tax increase bills were enacted in 6 states in 1981. These states were:

- Iowa - S.576; raised cigarette tax per pack from 13 to 18 cents; cigarette tax last raised in March, 1971 from 10 to 13 cents; state 3% sales tax does not apply to cigarettes; new tax was effective July 1, 1981.
- Nebraska - L.B.506; raised cigarette tax per pack from 13 to 14 cents; cigarette tax last raised in April, 1971 from 8 to 13 cents; state 3% sales tax does apply to cigarettes; new tax was effective August 30, 1981.
- Oregon - H.30; raised cigarette tax per pack from 9 to 16 cents; cigarette tax last raised in February, 1972 from 4 to 9 cents; Oregon does not have a sales tax; new tax was effective December 1, 1981.
- South Dakota - S.99; raised cigarette tax per pack from 14 to 15 cents; cigarette tax last raised in July, 1979 from 12 to 14 cents; state 5% sales tax does not apply to cigarettes; new tax was effective July 1, 1981.

- Washington - H.753; raised the cigarette tax per pack from 16 to 20 cents; cigarette tax last raised in June, 1971 from 11 to 16 cents; state 5.5% sales tax does apply to cigarettes; new tax was effective July 1, 1981.
- Wisconsin - A.66; raised cigarette tax per pack from 16 to 20 cents and adds OTP tax of 20%; cigarette tax last raised in November, 1971 from 14 to 16 cents; state 4% sales tax does apply to cigarettes; new tax effective August 1, 1981. OTP tax was effective October 1, 1981. TAP/TAN volunteers wrote letters to their State Representatives to express opposition to the proposal.

Cigarette Tax Reduction

- Alaska - H.37; did not pass. Would eliminate the 16 cent cigarette tax.
- Ohio - H.694; reduced the cigarette tax per pack from 15 to 14 cents; conversely, the state 5% sales tax now is applied to cigarettes; cigarette tax last raised in December, 1971; TAP/TAN volunteers wrote letters to their State Representatives and Senators to express opposition to the bill; new tax was effective November 15, 1981.

Pending Legislation

Several bills to raise the cigarette taxes in a number of states are pending and are expected to receive serious consideration during the early part of 1982.

Michigan - Senator Jack Faxon (D-7-Detroit) introduced a bill that would raise the cigarette tax per pack from 11 to 16 cents. Governor William Milliken's (R) Citizens' Panel on Smoking and Health recommended an increase in the state's cigarette tax in their report to the Governor in 1980. The legislature last raised the cigarette tax in April, 1970 from 7 to 11 cents. Cigarettes are subject to the state's 4% sales tax.

Minnesota - Governor Albert Quie (R) vetoed an emergency proposal on December 21 that would raise \$800 million for the state's ailing General Fund. The Senate and House supported bill H.14, included a 5 cent increase in the cigarette tax per pack from 18 to 23 cents. The major thrust of the package included an adjustment to the income tax and property tax brackets. The legislature met on December 30 but did not reach an agreement. They will meet again on January 6 to devise a compromise proposal palatable to the Governor. The legislature last raised the cigarette tax per pack in October, 1971 from 13 to 18 cents. Cigarettes are not subject to the state sales tax.

New Jersey - The Assembly has until January 11 to decide the fate of A.2366 at which time the legislature will adjourn. The bill raises the cigarette tax per pack from 19 to 21 cents. The anticipated additional revenue would be used to finance the hiring of 1,000 policemen and the purchasing of police vehicles for the state's high crime areas.

In its original form, A.2366 proposed using the estimated \$18 million that the added cigarette tax would raise to offer at least one new policeman to each of the state's 567 municipalities. The amended proposal now distributes the policemen over the 50 municipalities with the state's highest crime rates.

Assemblymen representing districts unable to qualify for additional police assistance under the new allocation formula have voiced their concerns over the limited ability of the bill to provide police help for all of New Jersey's municipalities.

TAP/TAN volunteers have written letters to their Assemblymen to voice opposition to the bill.

North Carolina - The legislature has 5 cigarette tax increase bills pending that will carryover to the 1982 calendar:

H.B.1160/S.B.641 - Representative William Watkins (D-13-Durham) and Senator Kenneth Royall (D-13-Durham) are the respective House and Senate sponsors. The bills impose a 3/4 cent cigarette manufacturing tax per pack on all cigarettes manufactured in North Carolina. H.B. 1160 is in the House Finance Committee. S.B.641 is in the Senate Ways and Means Committee which is chaired by Senator Royall.

S.B.547 - Senator Rachel Gray (D-19-Guilford Co.) is the sponsor. The bill raises the cigarette tax from 2 to 5 cents. Pending in Senate Finance Committee.

S.B.628 - Senator Cecil Jenkins (D-22-Cabarrus Co.) is the sponsor. The bill raises the cigarette tax per pack from 2 to 4 cents. Pending in Senate Finance Committee.

S.B.651 - Senator Helen Marvin (D-25-Cleveland Co.) is the sponsor. The bill raises the cigarette tax from 2 to 5 cents. Pending in the Senate Finance Committee.

The legislature instituted the present 2 cent per pack tax on cigarettes in October, 1969. Cigarettes are subject to the state's 4% sales tax. The legislature is expected to consider these proposals when they reconvene June 2, 1982.

Pennsylvania - H.B. 1799 was assigned to the Senate Finance Committee on December 7, 1981. Further consideration of the bill is not expected until February. The measure is sponsored by Speaker of the House Matthew J. Ryan (R-168-Delaware Co.). The proposal raises the cigarette tax per pack from 18 to 18.5 cents. The anticipated \$7 million in additional revenue will be used for the funding of a cancer registry (\$4 million) with the remaining monies earmarked for the General Fund. The bill passed in the House on November 13 by a vote of 189 to 4.

Defeated Legislation

The following is a list of states where cigarette tax increases were defeated in 1981.

California	(2)	Maryland	(2)	Oregon	(1)
Connecticut	(1)	Massachusetts	(2)	Rhode Island	(1)
Hawaii	(1)	Minnesota	(6)	Texas	(1)
Illinois	(1)	Mississippi	(2)	Washington	(1)
Indiana	(1)	Missouri	(13)	West Virginia	(2)
Iowa	(2)	North Carolina	(4)		

Cigarette tax bills often are introduced to raise money for health research. For this purpose in 1979, 13 bills were introduced; in 1980, 20 bills were introduced; and in 1981, 13 bills were introduced. This year, the Council of State Governments, a state legislative policy development organization, had suggested that state cigarette taxes be used primarily for cancer research. This suggestion was to be incorporated into the Council's "Suggested State Legislation" book. Many state legislators use the book as a "thought piece" and as a model for legislation they intend to introduce. The proposal was not adopted by the Council of State Governments' Committee on Suggested State Legislation.

Twenty-four states earmark state cigarette tax revenues for the General Fund. Twenty-six states dedicate portions of their state cigarette tax revenues to areas such as education, local aid, conservation, and road improvement. Alabama, Idaho, and Nebraska specifically earmark cigarette tax revenues for cancer research.

Cigarette Taxes-Local

Four states allow counties and municipalities to levy taxes on cigarettes. These states are: Alabama, Illinois, Missouri, and Virginia. New Jersey, New York, and Tennessee have given the powers of cigarette taxation to individual cities, respectively: Atlantic City, New York City, and Memphis. Tennessee and Virginia regularly consider "enabling" legislation for counties which allow counties the option to levy taxes on cigarettes. None of these "county option" proposals passed the Legislatures in 1981. In all, 369 counties and cities levy taxes on cigarettes.

The industry monitored 32 cigarette tax increase and reduction bills in 1981 on the local level. Most important was the confrontation in the Tidewater region of Virginia where a coordinated effort among 7 cities to raise the cigarette tax per pack from 10 to 15 cents was conducted.

Increased Cigarette Tax

Chesapeake
Portsmouth
Virginia Beach

Rejected Cigarette Tax Increase

Hampton
Newport News
Norfolk

The Suffolk, Virginia, City Council considered raising their cigarette tax from 5 to 10 cents but decided to remove the 5 cent tax altogether. An industry coalition comprised of manufacturers, wholesalers, retailers, bankers, shippers, and union members urged Tidewater city officials not to raise cigarette taxes. The industry expects renewed efforts by Tidewater city officials to raise

cigarette taxes again in 1982. Unofficial reports have circulated in the media tabulating the additional revenue cigarette tax increases have contributed to city coffers. These same news releases have indicated that cities that did not raise their cigarette taxes are attracting consumers from higher taxed areas thus increasing their own revenues. The cigarette tax increases in Tidewater were effective July 1, 1981.

Chicago, Illinois - The City Council raised the city's cigarette tax per pack from 5 to 10 cents on July 20, 1981. The new increase was effective August 1, 1981. Mayor Jane Byrne urged the Council to pass the increase to help support the Chicago Transit Authority. [Chicago has the highest cigarette tax in the country. Residents pay an 8 cent federal tax, a 12 cent state tax, a 10 cent city tax, a 5 cent Cook County tax and a 3 cent per pack sales tax for a combined tax of 38 cents per pack.]

Section III

Anti-Cigarette Sampling Legislation- State

1981 Summary

4 Bills Pending in 2 States
3 Bills Defeated in 1 State

Four proposals to ban the free distribution of cigarettes have been carried over to 1982 in the states of Ohio and Rhode Island.

Ohio - On September 30, 1981, the House approved an amended version of H.349 by a vote of 89 to 4. The bill, sponsored by Representative Ike Thompson (D-13-Cuyahoga Co.) prohibits the free distribution of cigarettes to minors

(under 18). The original bill prohibited the sampling and advertising of cigarettes in public places and on billboards. The bill now awaits Senate action. Representative Thompson has another bill (H.57) pending before the House Economic Affairs and Federal Relations Committee. H.57 prohibits the sale or free distribution of cigarettes to minors and the free distribution of cigarettes in public places. ✓

Representative Kevin Kapel (D-74-Lake Co.) has a bill pending before the House Health and Retirement Committee. Representative Kapel's bill (H.546) prohibits selling or giving tobacco products to a minor.

Rhode Island - Representative Christopher Boyle (D-99-Newport) introduced a bill (H.6006) that prohibits the distribution of tobacco products except at full market price in public places for any commercial purpose. The proposal is in the House Health, Education and Welfare Committee.

Defeated Legislation-State

Three cigarette sampling ban proposals were defeated in Massachusetts.

Pending Local Anti-Cigarette Sampling Legislation

1981 Summary

San Francisco, CA	(1)	Chicago, IL	(1)
District of Columbia	(1)	Cambridge, MA	(1)
Honolulu, HI	(1)		

San Francisco, California - In September, Supervisor Carol Ruth Silver, member of the San Francisco County Board of Supervisors, introduced an ordinance that would prohibit the distribution of free cigarettes on public streets and sidewalks in the City and County of San Francisco. Violation of the proposed ordinance would be a misdemeanor punishable by a fine not exceeding \$500 and/or imprisonment for not more than six months. The ordinance is pending before the Fire and Safety Committee. Supervisor Silver indicated that further pursuit of the ordinance would require compelling evidence of abuse on the part of the industry. The ordinance may be considered early in 1982.

District of Columbia - The City Council's Committee on Transportation and Environmental Affairs is considering a proposal to ban the free distribution of cigarettes in public places throughout the District. Failure to comply with the ordinance would result in a fine of not more than \$500 and forfeiture of the confiscated products. A hearing was held on November 24, 1981. The committee did not take a vote on the ordinance sponsored by Councilman Jerry A. Moore. No further action is expected at this time.

Honolulu, Hawaii - The Honolulu County Council is reviewing a comprehensive sampling ban of various items, which according to industry legal counsel, would affect cigarette sampling programs. Formal consideration of the proposed ordinance has not yet been scheduled.

Chicago, Illinois - An ordinance was introduced in the City Council in September, 1979. The proposal prohibits the free distribution of cigarettes in public places. The measure remains pending before the Health Committee. Councilman Stone is the sponsor.

Cambridge, Massachusetts - The City Council rejected an ordinance that strengthened the citywide no-smoking ordinance and prohibited the free distribution of cigarettes in public places by a vote of 5 to 4 on December 21, 1981. However, the Council voted 5 to 4 to reconsider the ordinance on December 28. Action on the ordinance is expected early in 1982. Counsellor David L. Sullivan is the sponsor.

Cigarette Advertising-State

1981 Summary

3 Bills Pending in 2 States
6 Bills Defeated in 3 States

Rhode Island - The House of Representatives has established a five member Commission to study the prohibition of cigarette advertising on billboards. The Commission will report its findings by March 23, 1982. A brief organizational meeting of the Commission was held January 7, 1982. The members of the Commission are:

Representative Albert Forte	(D-7-Providence)
Representative Joseph Quattricci	(D-83-East Providence)
Representative Aldo Freda	(D-14-Providence)
Representative Kevin D. McCarthy	(R-34-Warwick)
Representative Donald Large	(R-67-Cumberland)

Iowa - The legislature has a bill pending in the House State Government Committee which would ban public advertising of proprietary medicines, tobacco, and alcoholic liquors.

Six bills related to the advertising of cigarettes were defeated either by vote or adjournment of the legislature in the states of Massachusetts (4), Rhode Island (1), and Wyoming (1).

Cigarette Advertising-Local

Chicago, Illinois - The City Council adopted an ordinance on January 13, 1981 which permits taxi cabs to advertise cigarettes and other tobacco products on their rooftops.

Section IV

Self-Extinguishing Cigarettes-State

In Oregon, a bill, S.738, which would require cigarettes to be self-extinguishing, died with the adjournment of the legislature on August 2, 1981. Senator George Wingard (R-20-Lane Co.) introduced the bill on March 13, 1981. The measure required the State Fire Marshall to establish regulations for cigarettes and little cigars sold in the state to insure that, if ignited, they would stop burning within a time period specified by the regulations if the cigarettes or little cigars are not smoked during the period. All nonconforming products would be prohibited.

Self-Extinguishing Cigarettes-Local

New York City Councilmember Henry Stern (L-At-Large) introduced a bill (#1155) which directs the New York City Fire Commissioner to set regulations to reduce their capacity to ignite fires. Councilmember Stern also introduced Resolution #1753 which memorializes the Congress of the United States to pass legislation setting minimum igniting capacity standards for cigarettes. The bill was referred to the Committee on Public Safety. Action on both proposals is expected in 1982.

SPECIAL SECTION

1982 Legislative Sessions
(Tenative)

State	Convenes	Length	Days for Governor's Action		Effective date of laws unless specified
			During Session	After Session	
ALABAMA*	3/30/82	30(L) days	6	10	Date signed
**ALASKA*	1/11/82	No limit	15	20	90 days after signed
ARIZONA*	1/11/82	No limit	5	10	80 days after adjournment
ARKANSAS	No regular session				
**CALIFORNIA*	1/4/82	By 8/31/82	12	30	January 1, 1983
COLORADO*	1/6/82	No limit	10	30	Date signed
CONNECTICUT	2/3/82	By 5/5/82 ✓	5	15	Public Acts-
**DELAWARE*	1/12/82	By 6/30/82 ✓	October 1, 10	Special Acts-date signed 30	Date signed
FLORIDA*	1/18/82	60 days	7	15	60 days after adjournment
**GEORGIA	1/11/82	40 days	5	30	July 1, 1982
**HAWAII*	1/20/82	60(L)days	10	45	Date signed
IDAHO*	1/11/82	60 days ✓	5	10	July 1, 1982
**ILLINOIS*	1/13/82	No limit	60	60	Before 7/1, eff.1/1/83 After 6/30,eff.7/1/83
INDIANA*	1/11/82	30(L)days ✓	7	7	September 1, 1982
**IOWA*	1/11/82	No limit	3	30	July 1, 1982
**KANSAS*	1/11/82	90 days	10	10	If signed after 7/1,eff.8/15 July 1, 1982
KENTUCKY*	1/5/82	60(L)days	10	10	90 days after adjournment
LOUISIANA*	4/19/82	60(L)days	10	20	60days after adjournment
MAINE*	1/6/82	50(L)days ✓	10	10	90 days after adjournment
MARYLAND*	1/13/82	90 days ✓	6	30	June 1, 1982
MASSACHUSETTS*	1/6/82	No limit	10	10	90 days after signed

1982 Legislative Sessions
(Tenative)

State	Convenes	Length	Days for Governor's Action		Effective date of laws specified unless
			During Session	After Session	
**MICHIGAN	1/13/82	No limit	14	14	90 days after adjournment
**MINNESOTA*	1/12/82	Approx.3.mos.	3	14	August 1, 1982
MISSISSIPPI*	1/11/82	90 days	5	15	Normally specified
MISSOURI*	1/13/82	By 5/15/82	15	45	90 days after adjournment
MONTANA	No regular session				
**NEBRASKA	1/6/82	60(L)days J	5	5	3 mos. after adjournment
NEVADA	No regular session				
NEW HAMPSHIRE	No regular session				
NEW JERSEY	1/12/82	No limit	10	45	Always specified
NEW MEXICO	1/19/82	30 days	3	20	90 days after adjournment
**NEW YORK*	1/6/82	No limit	10	30	Always specified
**NORTH CAROLINA*	6/2/82	No limit	No veto power		Date ratified
NORTH DAKOTA	No regular session				
**OHIO	1/5/82	No limit	10	10	90 days after signed
**OKLAHOMA*	1/5/82	90(L)days	5	15	90 days after adjournment
OREGON	No regular session				
**PENNSYLVANIA*	1/5/82	No limit	10	10	Always specified
**RHODE ISLAND*	1/5/82	60(L)days ✓	6	10	Always specified
**SOUTH CAROLINA*	1/12/82	No limit	5	2 days into next session	20 days after signed
SOUTH DAKOTA	1/5/82	40(L)days ✓	5	15	July 1, 1982
**TENNESSEE*	1/18/82	30(L)days	10	10	40 days after passage

1982 Legislative Sessions
(Tentative)

State	Convenes	Length	Days for Governor's Action		Effective date of laws unless specified
			During Session	After Session	
TEXAS	No regular session				
UTAH*	1/11/82	20 days	10	20	60 days after adjournment
**VERMONT*	1/5/82	No limit	5	5	July 1, 1982
VIRGINIA*	1/13/82	60 days	7	30	July 1, 1982
**WASHINGTON*	1/11/82	60 days ✓	5	20	90 days after adjournment
WEST VIRGINIA*	1/13/82	60 days	5	15	90 days after signed
**WISCONSIN*	1/27/82	No limit	6	6	Day after publication
WYOMING	2/9/82	20(L)days ✓	3	15	90 days after adjournment

* Profiles allowed

** Bills carried over from 1981 to 1982.

(L) Legislative Days

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States that "carry-over" Bills to 1982

States in which bills are carried over from odd to even numbered years
(e.g. 1981 - 1982)

Alaska	Pennsylvania
California	Rhode Island
Delaware	South Carolina
Georgia	Tennessee
Hawaii	Vermont
Illinois	Washington
Iowa	Wisconsin
Kansas	
Michigan	
Minnesota	
Nebraska	
New York	
North Carolina	
Ohio	
Oklahoma	

1981 ACTION REQUESTS

At the request of TI and/or TTC, Philip Morris U.S.A. Public Affairs activated the Tobacco Action Program (TAP) 31 times in 1981. The following is a list of the states where TAP volunteers were activated:

<u>Date</u>	<u>Location</u>	<u>Nature of Legislation</u>	<u>Action Requested</u>
January 27	New Jersey	Restrictive Smoking, A.1722-29	write letters
February 4	Lee County, Florida	Restrictive Smoking	write letters
February 12	Illinois	Restrictive Smoking, H.B.29	write letters
February 25	Indiana	Restrictive Smoking, S.B.14	write letters
February 26	New York	Restrictive Smoking, A.2746	write letters
March 9	West Virginia	Cigarette Tax, H.B.1154	attend hearing
March 9	Wisconsin	Restrictive Smoking, S.B.80	write letters
March 9	Maryland	Restrictive Smoking, S.B.98	phone banks, distribute literature write letters
March 10	Rockford, Illinois	Cigarette Tax	attend hearing
March 11	Maine	Restrictive Smoking	petition drive distribute literature
March 16	Rockford, Illinois	Cigarette Tax	write letters
March 17	New York	Restrictive Smoking, S.2400/A.2746	write letters
April 7	Texas	Cigarette Tax, H.B.1986	write letters
April 8	Ohio	Sampling, H.B.349	write letters
April 20	Atlanta, Georgia	Restrictive Smoking	write letters
April 20	Oregon	Restrictive Smoking, S.B.370	write letters phone banks, attend hearings
May 18	Wisconsin	Cigarette Tax, A.66	write letters
June 4	New Hampshire	Restrictive Smoking, H.906	phone calls
June 10	New Hampshire	Restrictive Smoking, H.906	write letters
June 22	New Jersey	Cigarette Tax, A.2366	write letters
July 2	Washington	Restrictive Smoking	attend hearing

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<u>Date</u>	<u>Location</u>	<u>Nature of Legislation</u>	<u>Action Requested</u>
July 16	Chicago, Illinois	Cigarette Tax	phone banks distribute literature
August 10	Wisconsin	Restrictive Smoking, S.B.80	petition drive
September 14	Collier County, Florida	Restrictive Smoking	write letters
September 21	Atlanta, Georgia	Restrictive Smoking	write letters
November 9	Montgomery County Maryland	Restrictive Smoking	write letters
November 12	Pennsylvania	Cigarette Tax, H.B.1799	write letters
November 13	New Jersey	Cigarette Tax, A.2366	write letters
November 19	Pennsylvania	Cigarette Tax, H.B.1799	phone banks, write letters
November 25	Michigan	Restrictive Smoking, S.B.486	write letters, attend hearing
December 1	Charlotte County, Florida	Restrictive Smoking	write letters

Miscellaneous

March 3	Letter writing campaign to CAB.
March 9	Letter writing campaign to CAB.
June 1	Garfinkel/Letter-to-Editor Program.
June 30	New York Times Letter-to-Editor Project regarding Hirayama Study.

NOTE: TAP was activated 21 times in 1980.

TCAL0467338

STATE CIGARETTE TAX RANGE CHANGES
(Through December 31, 1981)

<u>STATE</u>	<u>YEAR FIRST ENACTED</u>	<u>RATE JULY 1, 1950</u>	<u>STATE TAX DECEMBER 31, 1981</u>	<u>STATE SALES TAX PER PACK</u>	<u>FEDERAL CIGARETTE TAX PER PACK</u>	<u>TOTAL TAXES PER PACK</u>
ALABAMA	1927	3¢	16¢	2¢	8¢	26¢
ALASKA	1949	3	8	-	8	16
ARIZONA	1933	2	13	2¢	8	23
ARKANSAS	1925	4	17.75	-	8	25.75
CALIFORNIA	1959	0	10	4	8	22
COLORADO	1964	0	10	-	8	18
CONNECTICUT	1935	3	21	-	8	29
DELAWARE	1949	2	14	-	8	22
D.C.	1949	1	13	3	8	24
FLORIDA	1943	5	21	3	8	32
GEORGIA	1923	5	12	1	8	21
HAWAII	1939	2.9	14	3	8	26
IDAHO	1945	3	9.1	2	8	19.1
ILLINOIS	1941	3	12	3	8	23
INDIANA	1947	3	10.5	2	8	20.5
IOWA *	1921	2	18 (5¢ increase)	2	8	28
KANSAS	1927	3	11	2	8	21
KENTUCKY	1936	2	3	2	8	13
LOUISIANA	1926	8	11	2	8	21
MAINE	1941	4	16	-	8	24
MARYLAND	1958	0	13	-	8	21
MASSACHUSETTS	1939	5	21	-	8	29
MICHIGAN	1947	3	11	2	8	21
MINNESOTA	1947	4	18	-	8	26
MISSISSIPPI	1930	4	11	3	8	22
MISSOURI	1955	0	9	2	8	19
MONTANA	1947	2	12	-	8	20
NEBRASKA *	1947	3	14 (1¢ increase)	2	8	24
NEVADA	1947	3	10	2	8	20
NEW HAMPSHIRE	1939	2.5	12	-	8	20
NEW JERSEY	1948	3	19	-	8	27
NEW MEXICO	1943	4	12	2	8	22
NEW YORK	1939	3	15	2	8	25

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<u>STATE</u>	<u>YEAR FIRST ENACTED</u>	<u>RATE JULY 1, 1950</u>	<u>STATE TAX DECEMBER 31, 1981</u>	<u>STATE SALES TAX PER PACK</u>	<u>FEDERAL CIGARETTE TAX PER PACK</u>	<u>TOTAL TAXES PER PACK</u>
NORTH CAROLINA	1969	-	2¢	2¢	8¢	12¢
NORTH DAKOTA	1925	5¢	12	2	8	22
OHIO **	1931	2	14 (1¢ reduction)	3	8	25
OKLAHOMA	1933	5	18	-	8	26
OREGON *	1966	0	16 (7¢ increase)	-	8	17
PENNSYLVANIA	1935	4	18	-	8	26
RHODE ISLAND	1939	3	18	-	8	26
SOUTH CAROLINA	1923	5	7	2	8	17
SOUTH DAKOTA *	1923	3	15 (1 ¢ increase)	-	8	23
TENNESSEE	1925	3	13	3	8	24
TEXAS	1931	4	18.5	-	8	26.5
UTAH	1923	2	10	3	8	21
VERMONT	1937	4	12	-	8	20
VIRGINIA	1960	-	2.5	2	8	12.5
WASHINGTON ***	1935	4	20 (4¢ increase)	4	8	32
WEST VIRGINIA	1947	1	17	2	8	27
WISCONSIN	1939	3	20 (4¢ increase)	2	8	30
WYOMING	1951	-	8	-	8	16

* Legislature increased cigarette tax in 1981

** Legislature reduced cigarette tax; applied sales tax to cigarettes

*** Legislature raised sales tax; added 1 cent to cost of cigarette pack

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1981 SPECIAL SESSIONS

Alabama (1st) - convened 8/4; adjourned sine die 8/8: general
(2nd) - convened 9/29; adjourned sine die 10/21: reapportionment
(3rd) - convened 11/3; adjourned sine die 11/30: general

Alaska - convened 7/13; adjourned 7/15 (carry-over): reapportionment

Arizona (1st) - convened 7/7; adjourned sine die 9/14: state lands
(2nd) - convened 7/8; adjourned sine die 7/25: transportation system
(3rd) - convened 9/1; adjourned sine die 9/3: road tax
(4th) - convened 11/9; adjourned sine die 11/9: health care cost
containment
(5th) - convened 11/30; recessed 12/20 til 1/11/82: reapportionment
(6th) - convened 12/1; recessed 12/20 til 1/11/82: reapportionment
(7th) - convened 12/1; adjourned sine die 12/7: reapportionment

Arkansas (1st) - convened 11/16; adjourned sine die 11/25: general

California - convened 11/9; adjourned 11/13 (call of chair):
reapportionment; budget

Connecticut (1st) - convened and adjourned sine die 7/20: vetoes
(2nd) - convened 11/19: budget and taxes. Will continue into 1982.

Florida (B) - convened 6/5; adjourned sine die 6/16: appropriations and
funding

Georgia - convened 8/24; adjourned sine die 9/18: reapportionment;
new Constitution; Code revisions

Hawaii - convened 6/22; adjourned sine die 6/29: appropriations

Idaho - convened 7/7; adjourned sine die 7/21: reapportionment

Indiana - convened 5/27; adjourned sine die 5/29: school funding

Iowa (1st) - convened 6/24; adjourned 6/26: reapportionment;
railroads;
fuel tax
(2nd) - convened 8/12; adjourned sine die 8/14: general

Louisiana - convened 11/2; adjourned sine die 11/13: reapportionment

Maine (1st) - convened and adjourned sine die 8/3: bond issues
(2nd) - convened and adjourned sine die 9/25: social services
(3rd) - convened 12/9; adjourned sine die 12/10: state taxes

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1981 SPECIAL SESSIONS
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Minnesota (1st) - convened and adjourned 6/6: taxes and borrowing authority
(2nd) - convened 6/30; adjourned 7/2: budget; taxes
(3rd) - convened 12/1; recessed 12/31 til 1/11/82: budget; taxes

Mississippi - convened 8/25; adjourned sine die 8/27: redistricting

Missouri - convened 11/6; adjourned sine die 12/17: reapportionment

Montana - convened 11/16; adjourned sine die 11/24: block grants; spending; appropriations

Nebraska - convened 10/30; adjourned sine die 11/17: budget

New Hampshire - convened 11/17; continued into 1982: reapportionment et al

New Mexico - convened 3/22; adjourned sine die 3/26: general

New York (1st) - convened and adjourned 4/7: budget
(2nd) - convened and adjourned 9/16: primary election

North Carolina (1st) - convened and adjourned 10/5: provided for continuation of 1981 session
(2nd) - convened 10/29; adjourned 10/30: redistricting

Oklahoma - convened 8/31; adjourned sine die 9/4: county financing

Oregon - convened and adjourned sine die 10/24: court system scheduled for 1/18/82: budget

Texas - convened 7/13; adjourned sine die 8/11: reapportionment; taxes; Medical Practices

Utah - convened and adjourned 5/5: vetoes

Vermont - convened 7/15; adjourned sine die 7/16: crimes and juveniles

Virginia - convened 3/30: reapportionment. Numerous recesses. Reapportionment plans have been rejected by the Court; later plan returned by Governor. Will meet 1/12/82.

Washington (1st) - convened 4/28; adjourned 4/29
(2nd) - convened 11/9; adjourned sine die 12/3: taxes et al

West Virginia - convened 4/28; adjourned sine die 4/29

Wisconsin (1st) - convened 11/4; adjourned 11/17: Governor's budget repair bill
(2nd) - convened 12/16; recessed til 1/20/82: reapportionment

Wyoming - convened 3/2; adjourned sine die 3/3: to consider action taken after clock was stopped on Feb. 28 (last legal day of session). Atty. Gen. declared this action illegal, hence the special session.

Prepared by Federal-State Reports, Inc.

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