

MEMORANDUM

February 26, 1992

TO: Pat Donoho (CONFIDENTIAL)

FROM: Alice O'Connor

SUBJECT: Summary of MN Tobacco Lobbyist Meeting, February 24, 1992
TI Conference Room, Saint Paul, MN.

Present: Tom Kelm, Doug Kelm, Jim Hirst, David Horazdovsky, Doug Carnival, Hurst Marshall (by phone).

I. TAXES

1. Tom Kelm says, House Leadership is still saying no to any new cigarette taxes. Senate will continue to be our major problem. Everyone agrees we have to wait until February 28th, which is when the next official revenue forecast will be public. After we know how big the deficit is, games will be played. Tom Kelm says if Democratic leadership is smart they will wait for Governor Carlson to come up with some plan to get rid of the deficit. Clearly, Carlson will be expecting the stall and will try to pin the deficit problem on the Democrats. Kelm says the Governor has been floating the idea of a sales tax on clothes and other items. Early conversation among Democrats, Kelm says they have also suggested a 10% surtax with a two year sunset. It is difficult for lobbyists to do nay initial lobbying right now other than continuing to visit with leadership because there is nothing specific to react to.
2. The timing of all of our hard hitting grassroots efforts opposing any tax is likely to come the middle of March but the consensus among lobbyists is to have stuff trickling in now.
3. Philip Morris is starting letters and phone banks March 1st. RJR is doing some phone banking now.
4. Hurst Marshall to contact John Olson and ask him to get letters from retailers in now along with letters to the editors and legislators now, saving some hard hitting or follow up letters around the middle of March.
5. Some discussion as to whether or not we ought to use the 40,000 signatures to do a media event. Minnesota lobbyists feel it would be of no real benefit. It is better, they said, to have John Berglund and Tom Briant or Buzz Dass

(Wholesalers) send a cover letter along with one copy of an attached petition to members of the Finance Committee and leadership at the appropriate time, saying "We have 40,000 names, Minnesotans do not want any new tax increase." Wait for lobbyists to give us a signal as to the timing of this effort. O'Connor to alert Briant and Dass and Berglund that this is coming.

6. David Horazdovsky to clarify with Mary Cramer that Philip Morris will phone bank 40,000 names. O'Connor to get copies of petitions to Marshall and Cramer.
7. For Minter Weisman Trade Show March 20-21, 1992, Doug Carnival to provide Alice with programmed disks from the Capitol which delineates zip codes for each legislative district. Alice O'Connor to deliver to Minter Weisman (Steve Steinleighter) next week so they can download their computers before the trade show begins and be ready to go.
8. Fackler to keep up the good work with "op-ed" pieces in the paper. One was in Saturday's (2/22 Minnesota paper from Archie Anderson). Hurst Marshall to contact Fackler for possible Smokers Rights folks to testify at hearing.
9. Consensus that if we need DJ Leary, we will only need him once. That is also a wait and see, but funding for him should be approved.

II. PRIVACY BILLS

1. Representative John Sarna and Senator Florian Chiemelkwi have agreed to be the authors. The bill will be introduced as "legal activities". It will be introduced the week of March 3rd, hopefully with early hearings.
2. Everyone agrees there could be a problem if gay groups get involved. It will then be difficult to permit the bills from stopping in the Judiciary Committees. If that happens, the continued enthusiasm for the main bill sponsors could soften.
3. Alice O'Connor and Tom Kelm to follow-up with Wes Lane to see how letters of support from Teamsters are doing.
4. David Horazdovsky and Doug Kelm to contact AFL-CIO to shore up support.

III. SF429 - CLEAN INDOOR AIR

1. Officially the hearing will take place March 3rd. Hurst Marshall will contact Bob Fackler to try and get Archie Anderson (the gentlemen from the "op-ed" piece and the restaurant owner Donnateli (Sp?) to appear at the hearing.

There is no way we can ask the Chairman of the Commerce Committee, Senator Sam Solon to delay it any further. He has delayed it as long as he possibly can for us. The bill in its amended form gives us very little to react to since taverns were taken out. There is still some confusion as to whether industrial sites are covered. This will undoubtedly be included through the health department rule process. Lobbyists, however, will seek clarification.

2. The vote count appears to be eight against us, seven for us. Of the eight who are against us, there are four that the lobbyists will try to rework to either be in support of us or who will take a walk. These include: Cohen, Larson, Day
3. We still need to clarify whether industrial sites are covered or not and if there will be one set of standards or site-by-site inspection.
4. Possible Strategies - SF429
 - A. Tom Kelm to talk with House Appropriations Chair, Rep. Simoneau, to ask the Health Department if there will be any fiscal note on this bill or an any rules they are currently drafting.
 - B. Ask Senator Sam Solon to talk to Flynn and tell her he will pass the bill out of committee if she takes private offices out. Otherwise, Senator Solon will work to kill the bill. One concern about this is if we pass this bill out of committee, the companion bill authored by Rep. Phyllis Kahn is still in the House Committee in its original form. If we end up in a conference committee, we could still end up with the original language, which is extremely punitive to us.
 - C. Tom Kelm ask House Appropriations Chairman, Rep. Simoneau, to take away the state appropriations for the Health Department in lieu of the six million dollar federal money that the Health Department will get in 1992.
 - D. David Horazdovsky and Bill McGrann will talk to Kroening who sits on the Commerce Committee and is also on the Finance Committee to ask someone from the Health Department for a fiscal note as well on March 3rd. Assuming the Health Department says there is no fiscal note, they will at least be on record. There should be no money in the bill for enforcement then should it pass. If they say they have to get back to the committee, this at least serves to delay a vote on the bill.

IV. YOUTH PENALTY BILL

1. Judy Cook from the Merchants Federal has agreed to take the lead on the bill which will be introduced this week so it will be on the same track as John Marty's bill. We have lost faith in Minnesota Grocers Association who want to clean up Rep. John Marty's bill. All the Minnesota tobacco lobbyists believe this is a "lost cause".

No meeting has been scheduled to meet again. Lobbyists will continue chatting with one another at the Capitol sometime after the next revenue forecast is out before Mid-March when deadlines for bills to get out of committee are set. Another date will be determined at that time to bring everyone together.