

MEMORANDUM

November 15, 1992

TO: Kurt L. Malmgren
FROM: Bob G. Pruett
SUBJ: Local California Activities, 1993

As you know, one of our major California goals for 1992 was the development and adoption of a statewide law governing local smoking policy. The plan called for preemption legislation in Sacramento and for a strategy to deal with local tobacco proposals prior to adoption of a statewide law.

On the advice of our legislative representatives and key members of the legislature, an all-out effort for a statewide smoking restriction law was not attempted during the 1992 session. The fall elections necessitated a short session this year, and the window of opportunity did not present itself for bill passage. In addition, a number of other factors - the California budget debacle, our attention to tax increase legislation, and action on the privacy bill -- made the adoption of a statewide tobacco measure in 1992 impractical. Incidentally, during this extremely contentious process, we were able to achieve preemption of local authority to tax tobacco products. The subject will be the major legislative priority for 1993.

In order to accomplish this goal in 1993, it will be necessary to maintain a strong defense against local anti-tobacco activity. As the attached summary of local anti-tobacco ordinances illustrates, more than 80 California localities have addressed anti-tobacco proposals so far during 1992. We see no let-up in this activity in 1993 until our state preemption goal is achieved.

With threats looming in Los Angeles, San Jose, San Diego and other major municipalities, it is essential that we continue to fund CALSTOP, our temporary umbrella organization established to deal with this onslaught of local anti-tobacco activity. CALSTOP enables us to monitor and take action against local anti-tobacco activity, providing a defense as we work in Sacramento for the adoption of a reasonable preemption vehicle.

Realizing the importance of CALSTOP -- particularly the need for additional local assistance in San Diego, San Francisco and support for our restaurant association (RSVP) -- two of our member companies supplied an \$80,000 supplemental budget increase for activities in 1992. With that supplemental increase, we were able to do an extremely credible job of holding the local line in 1992. For 1993, our budget needs require only a modest increase over actual 1992 expenditures.

Attached are summaries of 1992 expenditures and a proposed budget for 1993.

KLM:mln

Attachments

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