

August 16, 1993

MEMORANDUM

TO: CSAC Executive Committee Members  
FROM: Steve Swendiman, Executive Director  
RE: REQUEST FOR RECONSIDERATION: IMMEDIATE RESPONSE REQUESTED

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Supervisor Mike Antonvich, Los Angeles, has requested the Executive Committee and Board of Directors reconsider the decision on Item 2 of the Board of Directors agenda on Friday, August 13. Supervisor Antonovich was unable to attend the board meeting and asks that the Executive Committee authorize staff to poll each county on the decision not to sponsor legislation to extend a 17 cent additional tax on cigarettes for use by counties and for breast cancer research.

The Board of Directors voted to deny staff's request to sponsor legislation that would add 17 cents to the present tax on tobacco products. The decision was based on the following issues:

- a. The proposed legislation preempted future local ordinances regulating smoking (all ordinances in place by August 1, 1993 would be allowed to remain in place);
- b. The proposed legislation would imply that local discretion could be purchased;
- c. The proposed legislation would require an alliance with the tobacco industry;
- d. The \$300 million generated by the legislation was a declining revenue base, and therefore not a good source of funds for future county needs; and
- e. The new tax may negatively affect the outcome of Proposition 172.

The arguments in favor of sponsoring the legislation focussed on the generation of desperately needed revenue to fill the gap left by the 1993-94 final state budget:

- a. The legislation would generate \$300 million in new revenue for discretionary use by counties;
- b. The new money would be allocated based upon a formula that reflects loss of property tax;
- c. Although the revenue source may be a declining one, for the next few years, the revenue will help offset the major cuts to county government since 1992;
- d. The preemption issue only affects a few jurisdictions, as many counties have already passed smoking and tobacco control ordinances;
- e. No other revenue source is available and acceptable to the Governor and the leadership in both houses; therefore, no other backfill will be forthcoming in the immediate future;
- f. The public fully supports additional taxes on tobacco. With each increase in tobacco tax, smoking sales drop, thereby assisting with public health.
- g. The proposal would establish a minimum uniform anti-smoking provision in state law. Currently, this would be the strongest statewide standard in the United States.

Staff recommends that the Executive Committee authorize the polling of each county board for a position on the proposed sponsorship of the legislation on tobacco tax, with appropriate enclosure of the arguments in favor and against the proposal.

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I support reconsideration of the tobacco tax proposal and authorization for staff to poll all counties on the issue.

I oppose reconsideration of the tobacco tax proposal.

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Signature

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Date

**Please fax your response by 11:30am Tuesday, August 17, 1993, to (916) 441-5507.**

