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## **Two Proposed Initiatives Enter Circulation**

1. *Cigarette Tax. Initiative Constitutional Amendment and Statute.*
2. *Tax on Cigarettes. Initiative Constitutional Amendment and Statute.*

SACRAMENTO, CA --- Secretary of State Bruce McPherson announced today that the proponents of two new initiatives may begin collecting petition signatures for their measures.

The Attorney General's official titles and summaries are as follows:

### **CIGARETTE TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

Imposes additional 7½ cent tax on each cigarette distributed (\$1.50 per pack), and indirectly increases tax on other tobacco products. Tax revenues allocated to specified purposes, including private hospital and physician emergency services, indigent healthcare, breast cancer research, tobacco use prevention, tobacco smuggling prevention and nursing education. Excludes tax revenue appropriations from constitutional appropriation limits and minimum school funding requirements (Proposition 98). Establishes criteria for receipt and use of tax revenues. Increases penalties for tobacco tax crimes. Provides that hospitals collaborating on emergency services are exempt from state antitrust laws.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: An increase in new state cigarette tax revenues of about \$1.4 billion annually, declining slightly annually thereafter. Those revenues would be used for various health and education programs. Unknown but probably significant savings in state and local government health care costs over time due to expected reduction in consumption of tobacco products.

The Secretary of State's tracking number for this measure is 1159 and the Attorney General's tracking number is SA2005RF0097.

The proponent for this measure, Dorel Harms, RN, must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify. The 150-day deadline to circulate petitions for this measure is March 30, 2006. The initiative proponent can be reached at 916-443-6972.

### **TAX ON CIGARETTES. INITIATIVE CONSITUTIONAL AMENDMENT AND STATUTE.**

Imposes additional 5 cent tax on each cigarette distributed (\$1.00 per pack), and indirectly increases tax on other tobacco products. Tax revenues allocated to specified purposes, including tobacco use prevention programs, enforcement of tobacco-related laws, and research, prevention and treatment of various conditions, including breast and cervical cancer, prostate cancer, heart disease, stroke, asthma, colorectal cancer and obesity. Excludes tax revenue appropriations from constitutional appropriation limits, minimum school funding requirements (Proposition 98), and reduction by the Governor (Proposition 76).

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Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increase in new state tobacco tax revenues of about \$1 billion annually by 2007-08, declining slightly annually thereafter. Those revenues would be used for various health and tobacco-related programs. Unknown but probably significant savings in state and local government health care costs over time due to expected reduction in consumption of tobacco products and due to other factors.

The Secretary of State's tracking number for this measure is 1160 and the Attorney General's tracking number is SA2005RF0098.

The proponent for this measure, Charles G. Smith of the Coalition for a Healthy California, must collect 598,105 signatures of registered voters, equal to eight percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify. The 150-day deadline to circulate petitions for this measure is March 30, 2006. The initiative proponent can be reached at 916-442-2952.