



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE NEWS RELEASE

DB08:040

**FOR IMMEDIATE RELEASE
April 2, 2008**

**CONTACT: Kate Folmar
(916) 653-6575**

Second Cigarette Tax Initiative Enters Circulation

***Cigarette Tax. Children's Health
Insurance. Constitutional Amendment and Statute.***

SACRAMENTO – Secretary of State Debra Bowen today announced that the proponents of a new initiative may begin collecting petition signatures for their measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponents and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponents and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for this measure is as follows:

CIGARETTE TAX. CHILDREN'S HEALTH INSURANCE. CONSTITUTIONAL AMENDMENT AND STATUTE. Imposes additional \$0.0375 tax on each cigarette distributed (\$0.75 per pack) and indirectly increases tax on other tobacco products. Increases the number of children eligible for no-cost or low-cost health care coverage through Medi-Cal and the Healthy Families Program. Provides funding for the additional children's health care coverage. Allocates revenue to specified purposes including prevention and reduction in the use of tobacco products and the prevention and study of tobacco-related diseases, including lung cancer. Excludes revenue from appropriation limits and minimum education funding calculations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Increase in new state tobacco tax revenues of over \$750 million annually by 2009-10, declining slightly annually thereafter. These revenues would be used for children's health coverage and for various health and tobacco-related programs. Unknown but potentially significant costs to the state of up to the low hundreds of millions of dollars annually in the long term for ongoing support of the expanded Healthy Families Program (HFP) and Medi-Cal program as tobacco revenues decline and enrollment in these programs increases. Unknown but potentially significant savings to counties on a statewide basis beginning in the near term for a shift of children from county health coverage to the HFP and Medi-Cal. Unknown but potentially significant savings in state and local government public health care costs over time due to expected reduction in consumption of tobacco products and due to other factors. (Initiative 08-0007.)

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The Secretary of State's tracking number for this measure is 1340 and the Attorney General's tracking number is 08-0007.

The proponents for this measure, Wendy Lazarus and Krystal Moreno Lee, must collect signatures of 694,354 registered voters – the number equal to 8% of the total votes cast for governor in the 2006 gubernatorial election – in order to qualify it for the ballot. The proponents have 150 days to circulate petitions for this measure, meaning the signatures must be collected by September 2, 2008.

The initiative proponents can be reached at (916) 402-5802.

For more information about the first cigarette tax initiative cleared for circulation, go to http://www.sos.ca.gov/elections/elections_j.htm.

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