



TOWN OF FAIRFAX

STAFF REPORT

July 13, 2016

TO: Mayor and Town Council

FROM: Michele Gardner, Town Clerk (5)

SUBJECT: Endorse the ballot initiative "California Healthcare, Research and Prevention Tobacco Tax Act of 2016" to add a \$2 tax on tobacco-related products, including cigarettes and e-cigarettes, to fund existing Medi-Cal programs, tobacco education programs for California public schools, healthcare research conducted at California universities, and public safety efforts

RECOMMENDATION

Endorse the ballot initiative "California Healthcare, Research and Prevention Tobacco Tax Act of 2016".

DISCUSSION

Councilmember Coler requested this item be added to the agenda. If it passes, the ballot initiative would add a \$2 tax on tobacco-related products, including cigarettes and e-cigarettes, to fund existing Medi-Cal programs, tobacco education programs for California public schools, healthcare research conducted at California universities, and public safety efforts

For more information, please see the attached fact sheet.

FISCAL IMPACT

None

ATTACHMENT

Fact sheet



THE CALIFORNIA HEALTHCARE, RESEARCH AND PREVENTION TOBACCO TAX ACT OF 2016

**Protect kids.
Fight cancer.
If you don't smoke, you don't pay.**

OUR COALITION



- Blue Shield of California
- California Dental Association
- California Hospital Association
- California Medical Association
- NextGen California
- SEIU California
- AltaMed
- American Academy of Pediatrics California
- Breathe CA
- California Academy of Family Physicians
- California Academy of Preventive Medicine
- Campaign for Tobacco Free Kids
- Common Sense Kids Action
- Courage Campaign
- Health Access California
- March of Dimes
- Planned Parenthood Affiliates of California
- Sierra Club

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 will increase California's cigarette tax by \$2 per pack, with an equivalent increase on products containing nicotine derived from tobacco, including e-cigarettes. The American Cancer Society Cancer Action Network, American Heart Association and American Lung Association in California are standing up to Big Tobacco to save lives and help smokers quit. This initiative:

- **Saves lives.** Smoking is the number one cause of preventable death in California.¹ This initiative will save lives by preventing kids from getting hooked on tobacco, improving health care, and fighting cancer and other tobacco-related diseases.
- **Counters Big Tobacco's predatory attempts to hook a new generation of smokers.** Thousands of youth become addicted to tobacco each year.² Now tobacco companies are targeting kids with candy-flavored electronic cigarettes containing nicotine. It has been proven that higher tobacco taxes reduce teen smoking.³
- **Asks smokers to pay their fair share to improve health care and fight cancer.** This is simply a user fee on those who continue smoking. It will mean smokers help pay for cancer treatment, smoking prevention, health care, and research to fight cancer and other tobacco-related diseases.

This initiative will save lives.

Cancer and other tobacco-related diseases kill more people than car accidents, murder, suicide, alcohol, illegal drugs, and AIDS combined.⁴ This \$2 per pack user fee on tobacco will save lives by preventing kids from getting hooked on tobacco, improving health care, helping people quit smoking, and researching cures for cancer and other tobacco-related diseases.

Increasing the tobacco tax will reduce teen smoking.

Studies show that 90 percent of smokers start as teens.⁵ Nearly 17,000 California kids get hooked on smoking every year and half of them will eventually die from tobacco-related illnesses.⁶ Now the tobacco industry is targeting kids for a lifetime of addiction with candy-flavored electronic cigarettes containing nicotine. Teen use of e-cigarettes grew 10 fold in the past five years.⁷ Teens who use e-cigarettes are three times more likely to start smoking traditional cigarettes within a year.⁸

It has been proven that higher tobacco taxes reduce teen smoking, yet California's tobacco tax is among the lowest in the nation. This initiative will prevent more children and teens from becoming addicted to nicotine.



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This user fee asks smokers to pay their fair share to improve health care and fight cancer.

Because of smoking, California taxpayers spend \$3.5 billion dollars each year on treating cancer and other tobacco-related diseases through Medi-Cal.⁹ The majority of funds generated by this tobacco tax will be used to improve existing health care programs, prevent smoking, and fund research into cancer and other tobacco-related diseases.

Tough transparency and accountability measures keep Sacramento bureaucrats and politicians from diverting funds.

This initiative protects our interests by prohibiting bureaucrats and politicians from using the funds raised through this tobacco tax for any purposes other than those explicitly laid out in the measure. It strictly limits administrative spending to no more than 5 percent of the revenue generated by the tax. It also requires biennial audits by the nonpartisan State Auditor and that reports be made available to the public.

¹ Campaign for Tobacco Free Kids, Toll of Tobacco in California. https://www.tobaccofreekids.org/facts_issues/toll_us/california

² American Lung Association, "Why Kids Start." <http://www.lung.org/stop-smoking/about-smoking/preventing-smoking/why-kids-start.html>

³ Campaign for Tobacco Free Kids, "Raising State Cigarette Taxes Always Increases State Revenues (and Always Reduces Smoking)." <http://tobaccofreekids.org/research/factsheets/pdf/0098.pdf>.

⁴ Richert, Catharine, "Claims that smoking kills more people annually than other dangerous activities combined: True," *PolitiFact*, June 29, 2009. <http://www.politifact.com/truth-o-meter/statements/2009/jun/29/george-will/claims-smoking-kills-more-people-annually-other-da/>.

⁵ SAMHSA, calculated based on data in 2012 *National Survey on Drug Use and Health*. <https://www.tobaccofreekids.org/research/factsheets/pdf/0127.pdf>.

⁶ Campaign for Tobacco Free Kids, "Toll of Tobacco in California." https://www.tobaccofreekids.org/facts_issues/toll_us/california.

⁷ Centers for Disease Control and Prevention (CDC), "No decline in overall youth tobacco use since 2011," Apr. 14, 2016, <http://www.cdc.gov/media/releases/2016/p0414-youth-tobacco.html>.

⁸ California Department of Public Health, "Kids," <http://stillblowingsmoke.org/#kids>

⁹ Campaign for Tobacco Free Kids, "Toll of Tobacco in California." https://www.tobaccofreekids.org/facts_issues/toll_us/california.

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