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Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: SB 94  
Sponsor: Vic FISCHER  
Date referred to committee: 1/24  
Synopsis completed: 1/28  
Fiscal note:  
Further referrals: Finance

Tues, 19

CONTACTS:

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COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

1/24/85

Date 2-20-85

Mr. President

The Committee on HESS considered SB 94

increasing the excise tax on cigarettes; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 94
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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[Signature]  
Chairman

\_\_\_\_\_ Chairman recommendation

D R A F T

Introduced: 1/24/85  
Referred: Health, Education & Social Services  
and Finance

1 IN THE SENATE

BY V.FISCHER

2

CS SENATE BILL NO. 94 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act increasing the excise tax on cigarettes; and

7

providing for an effective date."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

\* Section 1. INTENT. (a) It is the intent of the legislature that the  
10 excise tax on cigarettes levied by this Act be used principally to fund  
11 health promotion and education programs to enhance wellness, good nutri-  
12 tion, and physical and mental fitness and to encourage the avoidance of  
13 unnecessary health risks, including smoking and use of alcohol and other  
14 drugs.

(b) The health promotion and education programs shall include  
15 promoting the implementation of school health education programs statewide  
16 for all grades; distributing and coordinating grants for statewide and  
17 local health promotion and education programs; and developing a five-year  
18 health promotion and education plan for the state, including one-year plans  
19 of operation.

21 \* Sec. 2. AS 43.50.190(a) is amended to read:

22 (a) There is levied an excise tax of five [ONE] and one-half  
23 mills on each cigarette imported or acquired in this state.

24 \* Sec. 3. This Act takes effect October 1, 1985, if by that date  
the federal tax on each small cigarette is equal to or less  
than \$4 per 1000. In this section, "small cigarette" has the  
meaning given in 26 U.S.C. 5701(b).

A M E N D M E N T

#2

Offered in the HESS Committee

By V. Fischer

TO: SB 94

Page 1, line 22, after "tax" delete:

"of five [ONE] and one-half mills on each cigarette imported or acquired in this state."

Insert:

"in an amount sufficient to make the total of the federal tax and the additional state tax levied by this section on each cigarette imported or acquired in this state equal to

(1) 9.5 mills on each small cigarette; and

(2) 18.3 mills on each large cigarette [OF ONE AND ONE-HALF

MILLS ON EACH CIGARETTE IMPORTED OR ACQUIRED IN THIS STATE]."

Page 1, after line 23, insert a new bill section to read:

"\* Sec. 3. AS 43.50.190 is amended by adding a new subsection to read:

(c) In this section, 'small cigarette' and 'large cigarette' have the same meanings given in 26 U.S.C. 5701(b)."

RATIONALE:

9.5 mills is the current federal tax on small cigarettes (8 mills) plus the "additional state tax" (1.5 mills) levied under AS 43.50.190 that goes to the general fund.

18.3 mills is the combined tax for large cigarettes.

Amendment #2 puts a ceiling on the combined tax to ensure that it does not exceed its current level. In the eventuality the federal tax is increased beyond its current level, the State tax would face an automatic reduction.

Different ways to state tax:

mills per cigarette (which is  $\frac{1}{10}$  of a cent)

cents per pack (based on 20 cigs/pack)

dollars per thousand.

Fed. ~~tax~~<sup>law</sup> refers to dollars per thousand:

Current fed. tax on small cig. is \$8/1000  
 Oct 1 scheduled to be reduced to \$4/1000.

State law refers to mills per cigarette:

Current state tax on every cig. is 4 mills  
 SB 94 would increase to 8 mills (which is \$8/1000).

C.S. ties to a specific federal action —  
 reduction by \$4/1000 ~~is~~ 4 mills  
 which is what's scheduled for Oct. 1<sup>st</sup>

Theoretically, feds. could choose to not  
 reduce the tax on large <sup>+ \$3/1000</sup> cigarettes, +  
 the state tax would go into effect.

But the fed. tax law which will sunset  
 Oct. 1 will reduce the tax on large + small  
 cigarettes simultaneously.

ALASKA LUNG ASSOCIATION

SB 94

1. Cigarette smoking is responsible for one in every five cancer deaths.  
The risk of developing lung cancer is ten times greater for cigarette smokers than for nonsmokers.  
Over 346,000 deaths each year are related to cigarette smoking.
2. The tobacco industry spends 1.5 billion dollars per year on advertising.
3. The average pack-a-day state employee costs the State an additional 3.1 million dollars per year in increased expenses.
4. The average tax per pack of cigarettes is 15.6 cents (Alaska and Hawaii not included). Of these 48 states, only 4 have less tax on cigarettes than Alaska.

1. Office on smoking and health, U.S. Dept. of Health & Human Services.
2. New York State Journal of Medicine, Dec. 83, page 1247.
3. Make cancer control your business, American Cancer Society, 1981.  
Alaska Dept. of Labor, Research and Analysis  
Alaska Public Employees Association survey, March 25, 1983
4. Legislative research paper from Richard Ramsey, to Senator Vic Fischer, August 30, 1984

dilemma of teenage self-destructiveness, while the *billions* of dollars spent on cigarette and alcohol advertising each year in the United States is seldom considered as the neglected cornerstone of drug abuse. Denial of our national drug abuse problem has become a cliché; but what is there to say when the major nationally televised program on adolescent drug abuse, "The Chemical People," contained not a single mention of smoking or of advertising for alcohol and cigarettes? (This in spite of a report issued earlier this year by the director of the National Institute on Drug Abuse, William Pollin, MD, indicting cigarette smoking as America's leading form of drug dependence.)

Because labels such as "antismoking," "smoker," "nonsmoker," "quitter," and "addict" may well have hampered a dispassionate analysis of the smoking problem on both individual and societal levels, contributors to this issue were encouraged to challenge the conventional vocabulary of smoking. Insofar as the average physician is concerned, smoking cessation has been regarded largely—if regarded at all—as a frustrating, futile, or hit-or-miss matter with little scientific basis. Not one of the nearly 9,000 continuing medical education courses offered in the United States in 1983 was devoted to scrutiny of methods for the treatment of the problem recognized by the World Health Organization and the Centers for Disease Control as the single most preventable cause of poor health in the world. One of the objectives of this issue is to encourage physicians to realize that not all of the onus for solving the smoking pandemic lies with themselves or with researchers or with governments—or, for that matter, with patients. But it is imperative that physicians overcome the misappre-

hension that patients "have heard it all before," for most information about smoking perceived on a day-to-day basis by the public and the medical profession alike has been put to them in the form of \$1.5 billion worth of advertising images each year. As W. R. Rickert, PhD, implies in this issue, by advertising cigarettes as "low tar" (low poison? fewer carcinogen-containing compounds per puff?), the tobacco industry has become our leading health educator. At the very least—whether through the introduction of "toasting" in the 1920s, filters in the 1950s, or less "tar" in the 1970s, the industry has succeeded in allaying the health concerns about smoking on the part of millions of Americans and in undermining educational efforts—unimaginative, off-the-mark, and poorly promoted though most such campaigns may be—about the undeniable and irredeemably harmful consequences of cigarette smoking. The motto of the tobacco industry could well be "ubiquity, propinquity, iniquity," for it is by posting its cigarette brand images everywhere, by juxtaposing the images to enjoyable and healthful activities such as sport, and by reinforcing a sinful, rebellious idea of smoking that it keeps sales high.

Since the mass media will not report on the subject of cigarette smoking and its promotion to the extent that they cover even the rarest of diseases, physicians must choose whether to adapt to the mass media's concept of health and disease or to act on the basis of their own knowledge. Is it not our duty to work as hard to end the world cigarette pandemic as those who are paid to glorify the image of smoking?

ALAN BLUM, MD  
Editor

**You pay a  
high price for  
employees  
who smoke**

Smoking is related to more than 20 percent of all cancers. In addition, the average pack-a-day smoker costs a company \$625-\$750 per year in increased expenses.

Smokers have

- absenteeism rates which are 40-50 percent higher than nonsmokers
- at least 50 percent more health care needs
- accident rates twice as high.

"Cigarette smoking is the single most preventable environmental factor contributing to ill-

ness, disability and death in the United States."

Surgeon General  
U.S. Public Health Service

## Is Smoking Really Harmful?

### Secondhand Smoke Harms Children

Children in households where one or both parents smoke cigarettes have a higher prevalence of respiratory conditions and lower lung function than children not passively exposed to cigarettes.

This finding, which confirms the results of other recent studies, was announced at the Joint Annual Meeting of the American Lung Association and the American Thoracic Society in Kansas City. The family smoking histories of 4,378 children from birth to age 19 were reviewed as part of the Tecumseh Study, a project initiated in 1959 to study the development of diseases in the entire population of a small town.

The prevalence of asthma, wheeze, and chest colds was higher in males, and that of bronchitis and wheeze higher in females, if both parents smoked," said Cecil M. Burchfiel, who delivered the report.

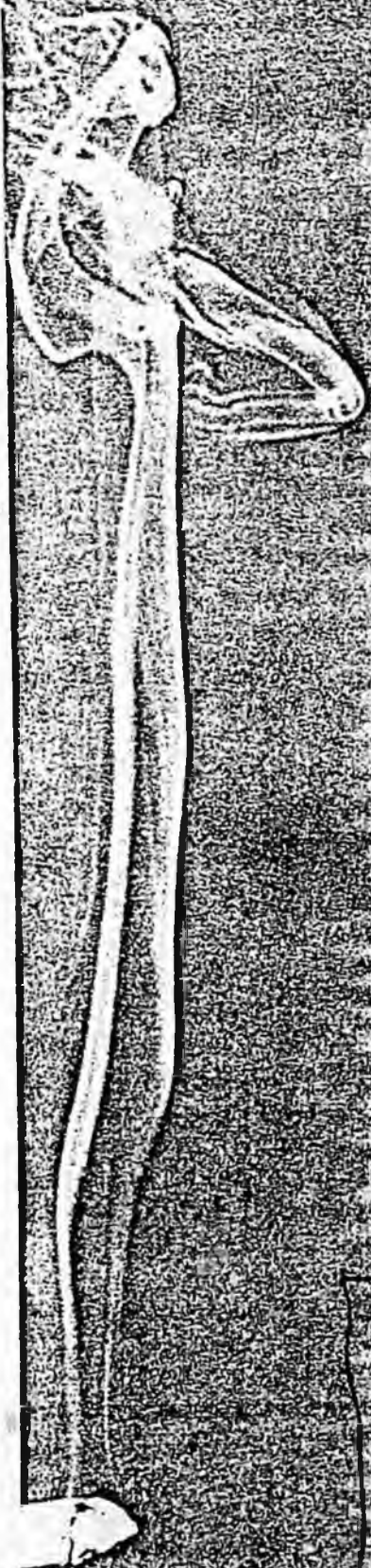
Lung function was examined only in children between 10 and 19 years of age. Various measures of function were lower in children of both sexes living in households where parents smoked, especially in the 10-to-14-

year group. Amount and duration of parental smoking also correlated with the prevalence of respiratory conditions and impaired lung function. "We found that these effects were more common in households where mothers smoked, rather than in those where only the father smoked," added Mr. Burchfiel. It also appears that the relationships are strongest in the younger age groups and among male children of all age groups. "A possible explanation for the increased effects among younger children is that they are not only more susceptible to the effects of cigarette smoke but also are in closer contact with the parents.

To date, this is one of the few population studies on the effects of passive smoking on children. "This type of study offers an important advantage over other types. One of the strengths of the Tecumseh Study is that information is available for both children and parents, and that these families have been followed for over 20 years," added Mr. Burchfiel. His co-workers in the study were W.F. Howatt, J.B. Keller, W.J. Butler, J.L.T. Higgins, and M.W. Higgins.

### Some Facts You Should Know

- Cigarette smoking is responsible for one in every five cancer deaths.
- The risk of developing lung cancer is ten times greater for cigarette smokers than for non-smokers.
- Smoking during pregnancy directly retards the rate of fetal growth.
- Over 346,000 deaths each year are related to cigarette smoking.
- After 15 years of cessation, the chance of death for ex-smokers is similar to those who never smoked.



ATTACHMENT

DPDP

PRO-1123

43.50.070 REVENUE AND TAXATION § 43.50.090

License is lost, destroyed, or defaced, the department may issue a duplicate license upon payment of a fee of 50 cents. (§ 8 ch 187 SLA 1955)

Sec. 43.50.070. Revocation of licenses. The department may suspend or revoke a license issued under AS 43.50.010 — 43.50.180 (1) for violation of AS 43.50.010 — 43.50.180 or a regulation of the department adopted under AS 43.50.010 — 43.50.180, or (2) if a licensee ceases to act in the capacity for which the license was issued. No person whose license is suspended or revoked shall sell cigarettes or permit cigarettes to be sold during the period of the suspension or revocation on the premises occupied or controlled by that person. No disciplinary proceeding or action is barred or abated by the expiration, transfer, surrender, renewal, or extension of a license issued under AS 43.50.010 — 43.50.180. The department shall comply with the provisions of the Administrative Procedure Act (AS 44.62). (§ 9 ch 187 SLA 1955)

Sec. 43.50.080. Returns. (a) On or before the last day of each calendar month a licensee shall file with the department a return, under penalty of perjury, for each place of business. The return shall state the number of cigarettes manufactured, imported, or acquired by the licensee during the preceding calendar month, and other information which the department requires. If a licensee ceases to import or acquire cigarettes, the licensee shall immediately file with the department a return for the period ending with the cessation.

(b) A person holding a wholesaler-distributor license under AS 43.50.035 shall file a return with the department on or before the last day of each calendar month. The return shall state the number of cigarettes sold, including those cigarettes exempt from tax, and remit tax due by the wholesaler-distributor for the preceding calendar month and other information which the department may require. (§ 8 ch 187 SLA 1955; am § 3 ch 47 SLA 1964)

Sec. 43.50.090. Tax imposed. (a) There is levied an excise tax of two and one-half mills on each cigarette imported or acquired in the state. Each licensee shall, at the time of filing the return required by AS 43.50.080, pay to the department the excise for the calendar month indicated by the return, deducting one per cent of the total tax due, which the licensee shall retain to cover the expense of accounting and filing returns. Cigarettes upon which the excise is imposed are not again subject to the excise when acquired by another person.



Title 44  
State Government

It is the intent and purpose of this section to provide for the collection of this excise from the person who first acquires the cigarettes in this state.

The tax imposed under (a) of this section does not apply to cigarettes imported or acquired in the state by an exchange, messary, or ship's stores operated by one of the uniformed services of the United States as defined in 5 U.S.C. 2101. (§ 11 ch 187 SLA 1955; am § 5 ch 94 SLA 1977)

JPDP

§ 43.50.140

REVENUE AND TAXATION

§ 43.50.170

(d) An invoice for the sale of cigarettes given or accepted by a licensee under AS 43.50.010 — 43.50.180 shall state whether the tax imposed by AS 43.50.010 — 43.50.180 has been paid. (§ 15 ch 187 SLA 1955)

**Sec. 43.50.140. Disposition of proceeds.** The proceeds derived from the payment of taxes, fees, and penalties, provided for under AS 43.50.010 — 43.50.180, and the license fees received by the department shall be paid into a state fund entitled "School Fund," and shall be used exclusively to rehabilitate, construct, and repair the state's school facilities, and for costs of insurance on buildings comprising school facilities during the rehabilitation, construction, and repair, and for the life of the buildings. (§ 16 ch 187 SLA 1955)

**Opinions of attorney general.** — In order to insure that tobacco tax funds are used most effectively in being a part of major rehabilitation, construction and major repair projects, the law requires that expenditures from such funds be made only after study and concurrence by the city school board, the city council, and the commissioner of education (now Department of Education). 1962 Op. Att'y Gen., No. 24.

It is necessary for the city council to concur by resolution in any expenditure of tobacco tax funds. 1962 Op. Att'y Gen., No. 24.

In addition to the approval of the city council, any disbursement of tobacco tax funds must be made with the authorization of the local school board. 1962 Op. Att'y Gen., No. 24.

State Government  
Title 44

**Sec. 43.50.150. Administration.** (a) The department shall (1) administer this chapter, and (2) collect, supervise, and enforce the collection of taxes due under this chapter and penalties as provided in AS 43.05.

(b) The department may adopt regulations necessary for the administration of this chapter. (§ 17 ch 187 SLA 1955; am § 39 ch 113 SLA 1980)

**Effect of amendments.** — The 1980 amendment in subsection (a), substituted "this chapter" for "AS 43.50.010 — 43.50.180," deleted "and penalties" following "the collection of taxes," and substituted "this chapter and penalties as provided in AS 43.05.010 -- 43.05.290" for

"AS 43.50.010 — 43.50.180"; in subsection (b), substituted "adopt" for "publish," and "AS 43.05" for "AS 43.50.010 -- 43.50.180, (1) to enforce AS 43.50.010 — 43.50.150, and (2) to collect the taxes, fees, and penalties imposed by AS 43.50.010 — 43.50.180."

**Sec. 43.50.160. Criminal penalties.** [Repealed, § 46 ch 113 SLA 1980. For current law, see AS 43.05.290.]

**Sec. 43.50.170. Definitions.** In this chapter, unless the context otherwise requires,

(1) "buyer" means a person who imports or acquires cigarettes for his own consumption from any source other than a manufacturer, distributor, direct-buying retailer, or retailer;

(2) "cigarette" means a roll for smoking of any size or shape, made wholly or partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco;

(3) "department" means the Department of Revenue;

(4) "direct-buying retailer" means a person who is engaged in the sale of cigarettes at retail in this state, and who brings or causes to be brought cigarettes into the state;

(5) "distributor" means a person who brings cigarettes, or has cigarettes brought into the state, and who sells or distributes at least 75 per cent of the cigarettes to others for resale in the state;

(6) "licensee" means a person licensed under AS 43.50.010 — 43.50.180;

(7) "manufacturer" means a person who makes, fashions, or produces cigarettes for sale to distributors or other persons;

(8) "person" includes an individual, company, partnership, joint venture, joint agreement, association, mutual or otherwise, corporation, estate, trust, business trust, receiver or trustee, syndicate, or political subdivision of this state, or combination acting as a unit;

(9) "place of business" means a place where cigarettes are sold, or where cigarettes are brought or kept for the purpose of sale or consumption, including a vessel, vehicle, airplane, or train;

(10) "retailer" means a person in the state who is engaged in the business of selling cigarettes at retail;

(11) "sale" includes a sale, barter, exchange, and every other manner of transferring the ownership of personal property. (§ 2 ch 157 SLA 1955; am § 27 ch 70 SLA 1964)

Sec. 43.50.180. Short title. AS 43.50.010 — 43.50.180 may be cited as the Cigarette Tax Act. (§ 1 ch 157 SLA 1955)

## Article 2. Additional Cigarette Tax.

### Section

190. Additional tax levy on cigarettes

Sec. 43.50.190. Additional tax levy on cigarettes. (a) There is levied an excise tax of one and one-half mills on each cigarette imported or acquired in this state.

(b) The tax levied by this section is in addition to the tax levied by AS 43.50.010 — 43.50.180. The tax shall be administered and collected in the same manner as the tax levied by AS 43.50.010 — 43.50.180, except that receipts from the tax shall be deposited in the general fund. The penalties provided in AS 43.05 apply to the tax levied in this section. (§§ 1, 2 ch 53 SLA 1961; am § 40 ch 113 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "provided in AS 43.05" for "established in AS 43.50.010 — 43.50.180" in the third sentence of subsection (b).

### SMOKING, HEALTH, AND ECONOMICS

The health effects of cigarette smoking are extremely well documented. Smoking is the major cause of lung cancer, heart disease, emphysema, and chronic bronchitis. In fact, smoking is the single most preventable cause of disease. In 1985 over 340,000 Americans will die prematurely because of their smoking habit. Millions more will live with crippled lungs and strained hearts.

Human suffering is only part of the picture. Smoking related diseases cost some 16 billion dollars in medical care resources yearly - a figure which can be translated into an extra \$100 per year in extra taxes and health insurance premiums for working adults. This applies whether the person smokes or not.

Many other costs such as lost working days, fire damage, special ventilation systems, etc. add to the bill we all get to pay. Information from Senator Ted Stevens to Dr. James Sprott of Anchorage placed these costs at 26 billion dollars for a total of 42 billion. As Stevens noted "The overall economic loss to the nation due to smoking is staggering."

### SMOKING AND OTHER HEALTH RISK FACTORS IN ALASKA

For whatever the reasons, Alaskans tend to be toward the top of national statistics in pursuing habits with high health risk factors. Following is a discussion of four key indicators: smoking, alcohol abuse, accidents, and mental health.

**SMOKING:** Thirty six percent of adult Alaskans smoke. Only two states, Kentucky at 36.6% and North Carolina at 37.7%, exceed Alaska. Once again, both of these states are tobacco producing. Another statistic indicative of Alaskans smoking habits is that the number of cigarette packs sold per capita in the U.S. dropped by 4.6% between 1976 - 1982 while increasing by 4.2% in Alaska. An 8.6% difference. Eventually, these figures will be translated into more lung cancer, heart disease and emphysema.

**ALCOHOL.** Another very apparent health risk to Alaskans is excessive alcohol consumption. A statewide health survey carried out by the Department of Health and Social Services in 1984 showed this to be the number one concern of the various groups surveyed. Alaskans are number 12 nationally in acute drinking and take the number 3 spot

for chronic drinking. (Acute is defined as 5 or more drinks on an occasion one or more times per month and chronic is defined as 2 or more drinks per day or 14 or more drinks per week.) The two states which exceed Alaska in chronic drinking are New Hampshire and Florida. In per capita consumption of distilled spirits we are also close to the top. Alaska consumes 3.3 gallons per person, New Hampshire 4.8, Nevada 5.7, and Washington D.C. 6.

**ACCIDENTS:** Accidents rates are also very high in Alaska. 1981 census figures showed Alaska with an accidental death rate of 89.3 per 100,000 population in comparison with 43.2 for the nation. Not surprisingly, the major differences were aircraft and water related.

**MENTAL HEALTH:** Mental health is also a problem as reflected by such indicators as suicide, family violence, child abuse, and violent crimes. Often alcohol plays an important role. In 1980 suicide was the fifth leading cause of statewide mortality. The rate of 17.7 suicides per 100,000 compares with a U.S. rate of 12.2. It is also important to note that the suicide rate increased from 13.2 per 100,000 in 1970 to the 17.7 in 1980.

What the above statistics relate is Alaska is facing a serious health crises with both short and long term implications which will result in considerable human suffering. It will also result in the expenditure of millions of dollars in public and private funds. A critical point of this paper is an aggressive health promotion program can reduce the suffering and will eventually more than pay for itself in reduced health care costs.

#### HEALTH PROMOTION AS A TOOL IN DISEASE PREVENTION

Risk factor intervention through health promotion has become a major tool for preventing cardiovascular diseases, cancer, cirrhosis of the liver, accidents, and chronic lung disease -- the major current health problems in modern nations. Numerous approaches are used and are necessary in successful programs. Four of the most important include reaching young people through comprehensive health education, educating the general public through mass media efforts, promoting self help in local communities and at the workplace, and utilizing the medical care de-

## THE CIGARETTE TAX IN ALASKA

An Opportunity for Investing in Health

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livery system in promoting health among high risk groups. A growing body of evidence supports the effectiveness of efforts:

- In school health a long term study has recently been completed by the University of Washington on the impact of the Primary Grades Health Promotion Project, Growing Healthy. (Growing Healthy is a comprehensive school health curriculum which was developed in Berkeley and Seattle in the early 70's and is now being utilized nationally by numerous school districts.) A summary of the findings state that "the curricula have a positive impact upon children's current levels of knowledge about health and their attitude toward health...and upon present and future health practices of students and their families."
- The Stanford Heart Disease Prevention Program provides considerable support for community wide programs. Utilizing a multimedia campaign for the general public and intensive instruction for high risk individuals in three Northern California Communities, the risk for coronary heart disease was reduced 15% to 20% among total participants and 30% among the high risk group.
- A similar experiment carried out in Finland over 4½ years with a largely rural population showed decreased cigarette smoking, decreased blood pressure, and a considerable reduction in the incidence of strokes -- from 3.6 to 1.9 per 1,000 males and 2.8 to 1.8 per 1,000 females.

What each of these health promotion programs have in common is they were carried out over a long period of time and they were comprehensive in their approach. They demonstrate that done right, health promotion can make a significant difference.

### AN INVESTMENT IN HEALTH

The cigarette tax revenues utilized in health promotion can help assure a healthier future for Alaska. Life style issues which deserve attention include smoking, nutrition, alcohol and other drug use, safety, mental health, and fitness. Maximizing the impact of the health promotion program will depend upon several factors.

- A long term commitment to the program is needed. Establishing positive health habits takes several years. One way to help assure the necessary focus is to develop a 5-year health

## THE CIGARETTE TAX IN ALASKA

### An Opportunity for Investing in Health

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promotion plan for the State. The plan should include specific goals and objectives that can be carefully evaluated during and at the completion of the program.

- ° Reaching young people must be a priority. This will require working closely with the education system. While mandating a specific comprehensive health education program may not be desirable, the State should provide all school districts with the best materials and training in comprehensive school health available. Joint financing of program implementation may also be desirable.
- ° Local initiative is critical. The key to health promotion lies in encouraging people to take responsibility for their own health. A way to encourage such initiative will be to make grants available to local communities and organizations to help carry out the five-year plan. Grants should be closely monitored for effectiveness in terms of achieving the plans goals and objectives.
- ° Statewide campaigns primarily utilizing the media can provide valuable support to school and local initiative efforts. The tobacco and liquor industry spend millions to get their message across. The real message is advertising pays. It can work as effectively in discouraging smoking and excessive drinking as it does to promote it.

Carrying out the type of program outlined above will require considerable initiative creativity and energy. Success will depend upon establishing an adequately staffed office within State government that has the necessary charge and flexibility to implement the program. It will also depend upon seeking advice and involvement from the various interests within the State concerned with health promotion. Some type of advisory body should be established to achieve the latter objectives.

#### CONCLUSION

The cigarette tax combined with health promotion concept provides Alaska with a unique opportunity to promote wellness and encourage the avoidance of unnecessary health risks.

# Senator Vic Fischer

Alaska State Legislature  
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



February 13, 1985 (3:00 p.m.)

To: Senator Bettye Fahrenkamp, Chair  
Senate HE&SS Committee

From: Senator Vic Fischer via Ginger Baird *GF*

Re: SB 94 - cigarette excise tax

Senator Fischer just called and said he has been trying to reach you regarding your question as to whether the committee should proceed with hearing SB 94 in view of pending federal action. He has to go to a meeting and will be away from a phone for the rest of the day. He will try to contact you again tomorrow.

He asked that I pass on this message:

"Please tell Bettye that my preference is to go ahead with the hearing and action on the bill. Since we don't know what the feds are going to do, we could consider making enactment of the raise in the state excise tax dependent on federal action. If the feds reinstate their tax we do nothing. If the feds fail to rescind their repeal by October, 1985 then SB 94 will take effect. I will try again to contact Bettye directly tomorrow."

/gb

FDNM 1-25-85

# Sponsors of cigarette tax bill stress health

By JOHN CREED  
Staff Writer

An eight-cent-per-pack state tax hike on cigarettes was introduced into the state Senate Thursday with hopes the revenue will go for educating Alaskans on good health.

But the tax won't raise overall cigarette taxes, say the two Democratic lawmakers sponsoring Senate Bill 94, because of an eight-cent cigarette-tax rollback slated for October by the federal government.

"If this law is not passed, it will lower the price of cigarettes," said Steve Kadish, an aide for Anchorage Sen. Vic Fischer, who's co-sponsoring the bill with Sen. Frank Ferguson of Kotzebue.

Kadish said the state can pick up an estimated \$6 million per year and earmark it for health education programs here.

"Cigarette consumption in Alaska will increase without the tax," Kadish said, "and that means more lung cancer, more heart disease, more emphysema and other related dis-

eases. If it's not passed, it's in one sense an irresponsible act."

Alaska's per-pack cigarette tax—the fifth-lowest in the nation—has remained virtually unchanged for 23 years, according to Anchorage physician Anne Morris, chairperson of the Healthy Alaska Coalition, a group formed to support the cigarette tax bill.

"Changing negative health habits takes time," Morris said, adding that the bill calls for a five-year health promotion plan for adults and students, as well as a statewide media campaign to offset cigarette and alcohol advertisement.

Curtis Mekemson, executive director of the Alaska Lung Association and major mover on the tax bill, has called cigarettes about the only American product with harmful effects when used as intended. Backers of the bill include Pat Book, the coalition's Fairbanks representative.

"I was appalled to learn that the cigarette tax was so low in Alaska,"  
(See SMOKING, page 3)

## SMOKING . . .

(Continued from page 1)

Book said. She added that local health attitudes have changed positively in recent years.

Morris said endorsements have come in from the Alaska Lung Association, American Cancer Society, Alaska Public Health Association, Alaska Native Health Board, Alaska Council on Smoking or Health, Alaska State Medical Society, as well as a state health educators group.

Local school board members are reviewing the bill, according to Barbara Tabbert, board president.

"One priority for the cigarette tax could be to kick some of that money into enforcing the antismoking law we've already got on the books," she said.

The Environmental Protection Agency estimates that up to 5,000

nonsmokers die of lung cancer per year from other people's cigarette smoke.

In Alaska, 36 percent of all adults smoke, third highest in the nation.

Even if the federal government chooses to reinstate the 16-cents tax, the Healthy Alaskans Coalition believes the bill should become law anyway because:

- Alaska's cigarette tax hasn't risen in 23 years.
- There's a direct correlation between smoking and price, especially among teen-age smokers.
- 340,000 Americans will die this year from smoking-related causes.
- Smoking costs the United States \$42 billion per year in medical and other costs.
- Alaska is near the top in pursuing health-risk activities.

Constitutionality of 1977 act. — Chapter 94, SLA 1977, relating to both state and local taxation, does not violate Alaska Const., art. II, § 13, which requires every

bill to be confined to one subject. *Slope Borough v. Sohio Petroleum Co.*, Sup. Ct. Op. No. 1750 (File No. 14-3513, 3659), 585 P.2d 534 (1978).

Title 43  
Revenue and Taxation

Sec. 43.50.100. Civil penalties. (a) [Repealed, § 45 ch 113 SLA 1980.]

(b) [Repealed, § 3 ch 166 SLA 1976.]

(c) [Repealed, § 45 ch 113 SLA 1980.]

(d) A person or licensee who is in control or possession of cigarettes contrary to AS 43.50.010 — 43.50.180, or who offers to sell or dispose of cigarettes to others for the purpose of resale without being licensed to do so is considered to have possession of the cigarettes as a contractor and is personally liable for the tax, plus a penalty of 100 per cent.

(e) [Repealed, § 45 ch 113 SLA 1980.] (§ 12 ch 187 SLA 1955; am § 4 ch 47 SLA 1964; am § 3 ch 166 SLA 1976; am § 45 ch 113 SLA 1980.)

Cross references. — For present provisions concerning civil penalties, see AS 43.05.220.

Effect of amendments. — The two amendments repealed subsections (a) and (e).

Sec. 43.50.110. Taxpayer's remedies. [Repealed, § 3 ch 166 SLA 1976. For current law, see AS 43.05.240.]

Sec. 43.50.120. Lien. [Repealed, § 4 ch 94 SLA 1976. For current law, see AS 43.10.035.]

Sec. 43.50.130. Records. (a) Every licensee shall keep a complete and accurate record of all cigarettes manufactured, purchased, or acquired. The records, except in the case of a manufacturer, shall include a written statement containing the name and address of the seller and the purchaser, the date of delivery, the quantity of cigarettes, the trade name and brand, and the price paid for each brand of cigarettes purchased. The licensee shall keep such other records as the department prescribes. All statements and records required by this section shall be in the form prescribed by the department, shall be preserved for three years, and shall be offered for inspection upon demand by the department.

(b) No licensee may issue or accept a written statement which falsely indicates the name of the customer, the type of merchandise, the price, the discounts, or the terms of sale.

(c) Where an invoice is given or accepted by a licensee (1) a statement which makes the invoice a false record of the transaction may not be inserted in the invoice; and (2) a statement which should be included in the invoice may not be omitted from the invoice if the invoice does not reflect the transaction involved without the statement.

Title 42  
Public Utilities  
and Carriers

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date \_\_\_\_\_

**REQUEST**

Bill/Resolution No: SB94  
 Title: An Act increasing the excise tax on cigarettes  
 Sponsor: V. Fischer  
 Requestor: Health Education & Social Svcs  
 Date of Request: January 24, 1985

**FISCAL DETAIL**

Agency Affected: Revenue  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	4,099.2	5,600.0	5,600.0	5,600.0	5,600.0

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

**POSITIONS:**

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

**ANALYSIS:** Attach a separate page for analysis.

It is assumed that the number of net taxable cigarettes will reach a level of 1.4 billion annually and remain at that level for the forecast period. SB 94 raises the General Fund portion of the cigarette tax from a rate of 1-1/2 mills (\$.0015) to 5-1/2 mills (\$.0055) per cigarette. The school fund also receives 2-1/2 mills (.0025) per cigarette, a rate not changed by the legislation. The FY 86 figure is adjusted to account for the fact that the new tax would apply to only part of that year.

Prepared By: David R. Tonkovich <sup>ST</sup>  
 Division: Research Section

Phone: 465-2173  
 Date: 1/29/85

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Date: \_\_\_\_\_

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CUMULATIVE SUMMARY OF REVENUE  
COLLECTED 07/01/84 THRU 12/31/84  
6/12 OR 50.0%

CODE NO	TYPE OF TAX	GROSS RECEIPTS	REFUNDS	NET RECEIPTS	ESTIMATE	NET RECEIPTS % OF ESTIMATE
001	OIL & GAS PROPERTY TAX	\$ 2,486,770.41	\$ 807,960.78	\$ 1,678,809.63	\$ 121,000,000.00	1.39
016	ALCOHOLIC BEVERAGE EXCISE TAX	7,526,233.34	947.22	7,525,286.12	15,000,000.00	50.17
017	CIGARETTE TAX (GF)	1,041,911.48	0.00	1,041,911.48	2,100,000.00	49.62
018	CIGARETTE TAX (SE)	1,629,656.40	0.00	1,629,656.40	3,300,000.00	49.39
020	ELECTRIC & TELEPHONE	41,162.08	0.00	41,162.08	1,700,000.00	2.43
021	HIGHWAY MOTOR FUEL TAX	14,937,702.27	2,016,251.55	12,921,450.72	22,000,000.00	58.74
022	AVIATION MOTOR FUEL TAX	4,527,625.68	0.00	4,527,625.68	8,000,000.00	56.60
023	MARINE MOTOR FUEL TAX	2,757,788.28	0.00	2,757,788.28	4,200,000.00	65.67
036	INDIVIDUAL INCOME TAX	674,476.20	6,344.71	668,131.49	0.00	0.00
037	FIDUCIARY INCOME TAX	3,327.00	0.00	3,327.00	0.00	0.00
038	CORPORATION INCOME TAX	97,134,635.45	23,685,559.34	73,449,076.11	293,000,000.00	25.07
046	BUSINESS LICENSE	37,387,211.68	137,339.00	37,249,872.68	20,000,000.00	186.25
052	ESTATE TAX	382,067.69	4,319.69	377,748.00	700,000.00	53.97
057	SCHOOL TAX	0.00	0.00	0.00	0.00	0.00
060	SALMON ENHANCEMENT TAX	2,580,395.05	245,614.27	2,334,780.78	2,400,000.00	97.29
061	MINES & MINING TAX	191,324.00	900.02	190,423.98	300,000.00	63.48
062	SALMON CANNERY-SHORE BASED TAX	19,164.15	0.00	19,164.15	6,000,000.00	0.32
063	SHORE-BASED FISHERIES TAX	1,858,920.52	1,662.00	1,857,258.52	8,000,000.00	23.22
064	FLOATING FISHERIES TAX	192,731.99	15,637.85	177,094.14	7,000,000.00	2.53
065	OIL PRODUCTION TAX	700,301,080.10	7,192.92	700,293,887.18	1,332,800,000.00	52.55
066	OIL & GAS CONSERVATION	337,065.30	0.00	337,065.30	700,000.00	48.16
067	GAS FLARING PENALTY	2,831.49	0.00	2,831.49	0.00	0.00
068	GAS PRODUCTION TAX	4,202,479.12	0.00	4,202,579.12	10,600,000.00	39.65
069	SEAFOOD MARKETING ASSESSMENT	32,346.18	58.00	32,288.18	1,200,000.00	2.70
096	PREPAID TAX	1,000.00	0.00	1,000.00	0.00	0.00
106	LIQUOR LICENSE APPLICATION	38,300.00	700.00	37,600.00	91,000.00	41.32
107	PUB LIQUOR LICENSE	0.00	400.00	(400.00)	0.00	0.00
108	BREWERY LICENSE	0.00	0.00	0.00	0.00	0.00
109	DISTILLERY LICENSE	0.00	0.00	0.00	0.00	0.00
110	BEVERAGE DISPENSARY LICENSE	290,000.00	20,000.00	270,000.00	802,000.00	33.67
111	CLUB LICENSE	19,800.00	0.00	19,800.00	44,000.00	45.00
112	COMMON CARRIER LICENSE	10,675.00	0.00	10,675.00	34,000.00	31.40
113	RESTAURANT LICENSE	29,100.00	1,950.00	27,150.00	76,000.00	35.73
114	ROADHOUSE LICENSE	0.00	0.00	0.00	0.00	0.00
115	RETAIL LICENSE	137,250.00	8,625.00	128,625.00	364,000.00	35.34
116	RETAIL STOCK SALE LICENSE	0.00	0.00	0.00	0.00	0.00
117	WHOLESALE GENERAL LICENSE	13,000.00	0.00	13,000.00	149,000.00	8.73
118	WHOLESALE MALT BEV. LICENSE	1,400.00	0.00	1,400.00	29,000.00	4.83
119	MISC. LIQUOR LICENSE	28,736.00	250.00	28,486.00	48,000.00	59.35
145	COIN OPER. AMUSE. & GAM. DVC. TAX	29,421.24	437.55	28,983.69	225,000.00	12.89
146	GAMES OF CHANCE & SKILL FEES	7,365.33	63.84	7,301.49	81,000.00	9.02
402	MISCELLANEOUS REVENUE	1,078.82	18.00	1,060.82	1,500.00	70.73
506	TAX PREPARER'S PENALTY	0.00	0.00	0.00	0.00	0.00
507	AVERAGE WHOLESALE PRICE	0.00	0.00	0.00	0.00	0.00
692	REDISTRIBUTED REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL		<u>\$ 880,856,132.25</u>	<u>\$26,962,231.74</u>	<u>\$853,893,900.51</u>	<u>\$1,861,944,500.00</u>	<u>45.87</u>
135	DUPLICATE COMM. FISH	\$ 1,124.36	\$ 0.00	\$ 1,124.36	\$ 2,000.00	56.22
843	VESSELS & GEAR	0.00	0.00	0.00	0.00	0.00
137-844	COMM. FISH LIC.-RES.	276,803.84	1,985.14	274,818.70	507,000.00	54.21
138-845	COMM. FISH LIC.-N-RES.	486,860.50	2,859.19	486,001.31	871,000.00	55.80
140	COMMER. FISH. EXT. FEE	1,710.00	0.00	1,710.00	4,000.00	42.75
120-230	SPORT FISH., HUNT & TRAP LIC.	<u>5,196,753.23</u>	<u>14,143.49</u>	<u>5,182,609.74</u>	<u>6,594,000.00</u>	<u>78.60</u>
SUB-TOTAL		<u>\$ 5,965,251.93</u>	<u>\$ 18,987.82</u>	<u>\$ 5,946,264.11</u>	<u>\$ 7,978,000.00</u>	<u>74.54</u>
TOTAL TAXES		<u>\$ 886,821,384.18</u>	<u>\$26,981,219.56</u>	<u>\$859,840,164.62</u>	<u>\$1,869,922,500.00</u>	<u>45.99</u>
INTEREST						
575	INTEREST ON LOANS	\$ 1,420,307.09	\$ 0.00	\$ 1,420,307.09	\$ 10,000,000.00	14.21
576	INTEREST ON INVESTMENTS	126,182,405.40	0.00	126,182,405.40	265,000,000.00	47.62
TOTAL INTEREST		<u>\$ 127,602,712.49</u>	<u>\$ 0.00</u>	<u>\$127,602,712.49</u>	<u>\$ 275,000,000.00</u>	<u>46.41</u>
TOTAL REVENUE		<u>\$1,014,424,096.67</u>	<u>\$26,981,219.56</u>	<u>\$987,442,877.11</u>	<u>\$2,144,922,500.00</u>	<u>46.04</u>

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date 1-28-85

REQUEST

Bill/Resolution No: SB 94  
 Title: Cigarette Tax Increase  
 Sponsor: Senator V. Fishcer  
 Requestor: Health Education & Soc. Svc.  
 Date of Request: 1-25-85

FISCAL DETAIL

Agency Affected: Department of Revenue  
 Program Category Affected: Collection and Management  
 BRU, Program of Subprogram(s) Affected: Audit Division  
Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CAPITAL</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>REVENUE</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

POSITIONS:

FULL-TIME	-0-	-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: This bill would not require an increase in expenditures for the BRU.

Prepared By: Martin J. Richard  
 Division: Audit Division

Phone: 465-2320  
 Date: 1-28-85

Approved by Commissioner: [Signature]  
 Agency: \_\_\_\_\_

Date: 2/4/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ALASKA FEDERATION OF NATIVES, INC.  
1984 ANNUAL CONVENTION

*file w/ BILL  
SB 94*

RESOLUTION NO. 84-38

TITLE: CIGARETTE EXCISE TAX

WHEREAS, the federal government will reduce its excise tax on cigarettes by \$0.08 per pack; and

WHEREAS, this excise tax reduction will have the effect of making cigarettes less expensive and thereby more accessible to the public at large; and

WHEREAS, the negative health effects of cigarette use have been well documented with major implications in the areas of cancer, heart disease and respiratory diseases,

NOW THEREFORE BE IT RESOLVED that the State of Alaska levy an excise tax on cigarettes in an amount equal to the reduction to be made by the federal government with the resulting revenues to be used in health promotion, disease prevention and rehabilitation treatment directed at victims of cigarette use.

RESOLUTIONS COMMITTEE RECOMMENDATION: DO PASS

CONVENTION ACTION: PASSED



SK

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCHS  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

December 5, 1984

Mr. David Mather, Chairman  
Association of Regional Health Directors  
1321 - 21st Avenue  
Fairbanks, AK 99701

Dear Mr. Mather:

Governor Sheffield has asked me to reply to your letter to him regarding the many leading health problems of Alaskans. The eight-cent federal reduction in cigarette tax is a matter that we anticipate will be debated in the 1985 session of our Legislature. Certainly, an eight-cent Alaska tax increase, to replace the federal decrease effective October 1985, would increase State tax receipts while the cost to smokers would not change.

Your letter proposes that any tobacco tax increase be dedicated to the purpose of establishing preventive health education and intervention programs. Tobacco tax Statute 43.50.140 dedicates the taxes, fees, and penalties provided under AS 43.50.010-.180 to a State "school fund", and limits how those funds may be spent. This dedication was enacted in 1955. When Alaska's Constitution became operative with the formal proclamation of statehood on January 3, 1959, it included Article IX, Section 7, which limited dedications as follows:

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

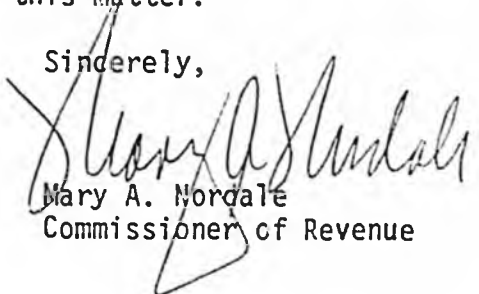
Since new dedications are not allowed, and grandfathered dedications cannot be increased, receipts from any new tax or tax increase must be deposited in the general fund. While in the general fund, they are available for appropriation by the Legislature, and for possible use to help offset the social costs associated with smoking. ←

Mr. David Mather, Chairman  
Association of Regional Health Directors  
Page 2  
December 5, 1984

The Governor does recognize your concern, and we will work along with Senator Fischer in addressing this issue.

Thank you for contacting my office on this matter.

Sincerely,

  
Mary A. Nordale  
Commissioner of Revenue

cc: Senator Vic Fischer ✓  
Commissioner John Pugh  
Ray Gillespie

# Alaska State Legislature

Advisory Council Members  
Senator Kerttula, Chairman  
Senator Bennett  
Senator Fahrenkamp  
Senator Vic Fischer



Pouch V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## SENATE ADVISORY COUNCIL

TO: Senator Vic Fischer  
Chairman  
State Affairs Committee

FROM: Richard Ramsey  
Researcher

A handwritten signature in dark ink, appearing to read "Richard Ramsey".

SUBJECT: Cigarette Tax Research

DATE: August 30, 1984

You have asked for a review of the existing cigarette tax in Alaska, use of the revenues derived from tax and such taxes in other states in light of the repeal of the federal eight cent per pack tax.

I have been in contact with American Lung Association staff in Anchorage regarding programs in other states that are funded by cigarette tax revenues. This data should be compiled by the middle of September and will be forwarded to you soon thereafter. Included in this information will be material on preventative and health programs relating to cigarette use which are funded by the tax revenues.

The following is a review of the Alaska program.

### Legislative History

The Cigarette Tax Act (AS 43.50, attached) provides for a two and one-half mill tax on cigarettes imported and acquired in Alaska (Chapter 187, SLA 1955, HB 72). The revenues derived from this levy and collected by the Department of Revenue are paid into the "school fund". No letters of intent or committee reports are available from the 1955 legislative session. Subsequent amendments to the act include: in 1961, (Chapter 53, SLA 1961, CSSB 171) adding an additional levy of one and one-half mills with revenues going to the general fund; in 1977, (Chapter 94, Section 5, SLA 1977) exempting application of the tax to uniformed military services in Alaska; and, in 1980, non-substantive amendments relating to administrative procedure.

As noted, two and one-half mills of the four mill levy are paid into the "school fund." AS 43.50.140 provides in part, "...proceeds derived....shall be paid into a state fund entitled "School Fund", and shall be used exclusively to rehabilitate, construct and repair the state's school

Sen. V. Fischer  
August 30, 1984  
Page 2

facilities, and for costs of insurance on buildings comprising school facilities during the rehabilitation, construction, and repair and for the life of the buildings."

The dedicated School Fund is permitted under the grandfather clause of the Constitutional prohibition against dedicated funds (Alaska Constitution, Article IX, Section 7). The exemption applies since the School Fund was in effect before ratification of the Constitution, April 24, 1956.

Several Attorney Generals have opined, and Legislative Counsel concurs, that any modification of the dedicated fund allowed in the Constitution would nullify it. It is, then, not possible to dedicate, per se, revenues derived from an additional cigarette tax. It may be possible to state that it is the intent of the Legislature to utilize the revenues generated for a specific purpose, subject to appropriation. Perhaps this could be done through a letter of intent accompanying a bill. Such a letter of intent has no legal effect, and any use of revenues from a particular source would be subject to appropriation, (Personal Communication, Bill Berrier, 8/21/84).

#### School Fund

The School Fund is administered by the Department of Education (4 AAC 36.010). A formula provides for distribution of the fund to the 32 school districts. Each district receives \$3,000 per annum with the remaining funds disbursed based upon the number of professional personnel in each district. The Anchorage School District receives the largest portion of the fund each year, approximately \$1 million, (Personal Communication, Bill Thompson, DOE, 8/17/84).

*REAA's don't receive. Originally designed to defray local construction costs; REAA costs borne by state.*

#### Revenues Generated From the Cigarette Tax

Since 1978, the Department of Revenue reports revenues from the four mill cigarette tax as follows:

Jan-May, 1984	\$2,138,474
1983	5,081,730
1982	5,159,319
1981	4,613,894
1980	4,427,860
1979	4,331,384
1978	4,607,280

The average collected is \$4,703,577 during this period.

Sen. V. Fischer  
August 30, 1984  
Page 3

Alaska's four mill levy (4 x \$.001) is equivalent to \$.08/pack tax, the amount of the federal tax reduction.

See May, 1984, net taxable cigarettes:

$$123,463,772 \times \$.004 = \$493,855$$

$$\frac{123,463,772}{20} \times \$.08 = \$493,855$$

Less commissions and adjustments, the net tax collected for May, 1984, was \$490,093.

If the state tax is increased by eight cents, the revenues derived will double from those collected at present.

If legislation is contemplated to raise the cigarette tax to compensate for the federal tax repeal, perhaps it should be considered whether to conform to the the mill levy or to restructure the program to the federal tax reduction, to a cents per pack basis.

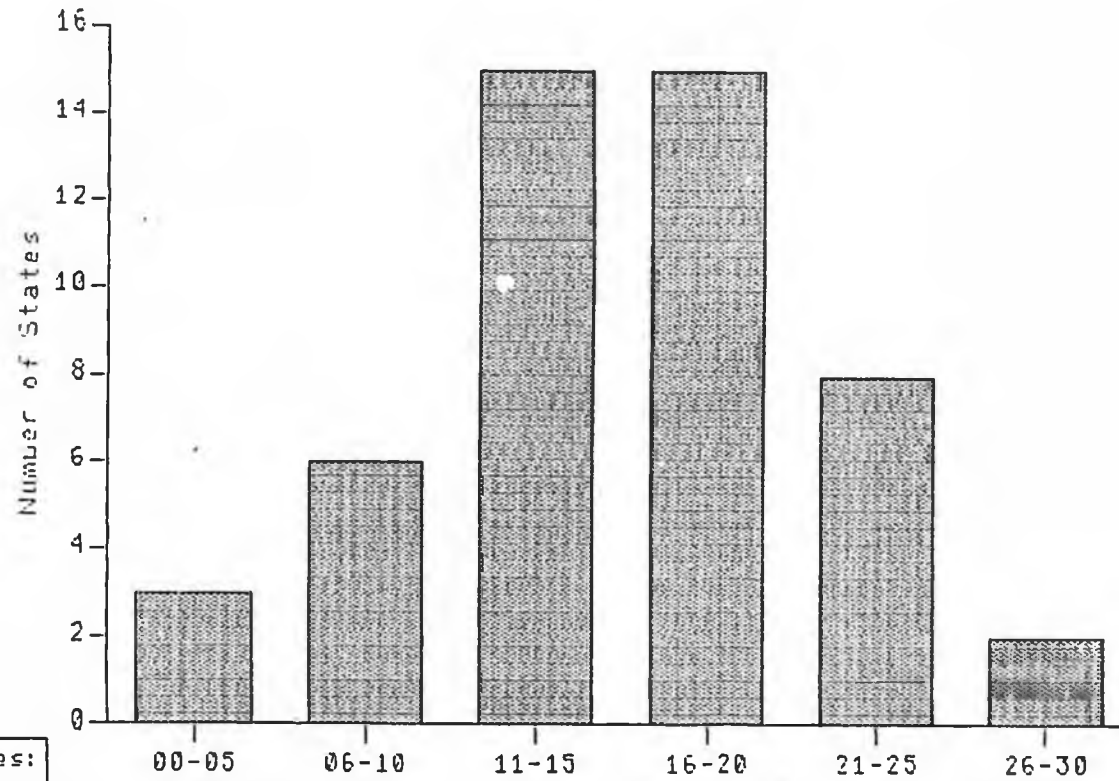
#### Other States

As of January 1, 1984, all 49 other states had a cigarette tax. The average tax is 15.6 cents per pack. Hawaii's tax is 40% of the wholesale price and is not included in this average. The range is from \$.02/pack in North Carolina to \$.26/pack in Connecticut and Massachusetts. (Source: Book of States, 1984-5, Vol. 25, Council of State Governments).

As noted, additional information will be forthcoming relating to cigarette taxation in other states. If you have any questions or would like additional information on the above, please advise.

Attachment

### State Excise Taxes on Cigarettes



**Notes:**

The Mean is 13.5 Cents. Cents per Pack of 20  
The Mode is 18 With 6 Occurences. Alaska's Tax is 8 Cents.  
Source: Book of States, 1983-4. Council of State Governments.

Healthy Alaska Coalition  
P. O. Box 103056  
Anchorage, AK 99510

January 24, 1985

FOR IMMEDIATE RELEASE

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Curtis Mekemson, Ex. Dir., Alaska Lung Association,  
Anchorage 272-2332  
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Fairbanks 452-4761

CIGARETTE TAX BILL INTRODUCED  
TO SUPPORT HEALTH PROMOTION

Senator Vic Fischer in co-sponsorship with Senator Frank Ferguson introduced legislation today, Senate Bill 94, which will increase the State's cigarette tax by eight cents with the intent that the extra revenues will go toward a major health promotion program in Alaska.

Anne Morris, M.D., Chairperson of the Healthy Alaska Coalition, a group organized to support the legislation, noted, "This Bill gives us the opportunity to have a positive impact on the health of all Alaskans. We are particularly excited about increasing our ability to reach young people in promoting wellness and encouraging the avoidance of unnecessary health risks."

4  
Dr. Morris reported that the tax would raise close to six million dollars per year. Since the Federal Government is presently planning to drop eight of its sixteen cents tax on cigarettes, the Alaskan tax would not increase the price of cigarettes.

"We'll simply collect the six million we've been sending to Washington and put it to work in Alaska," Dr. Morris stated.

Even if the Federal Government chooses to reinstate its sixteen cent tax, however, the Healthy Alaska Coalition argues Alaska should proceed with increasing its own tax. A number of reasons are offered.

- ° Alaska has had the same cigarette tax for twenty-three years. The present tax of eight cents is fifth lowest in the nation. Only four tobacco producing states have lower taxes. Doubling the Alaska tax will bring it up to the national average.

- ° There is a direct correlation between smoking and price. The effect is particularly dramatic among teenagers. A 10% increase in price will lead to an approximate 14% drop in smoking.
- ° Our smoking habits are extremely costly. From a health perspective 340,000 Americans will die prematurely this year because of smoking and millions more will live with crippled lungs and strained hearts. Financially, smoking costs the nation some sixteen billion dollars in medical care and an extra twenty six billion in other costs for a total of forty two billion dollars. We all end up helping to pay these costs whether we smoke or not.
- ° Alaskans tend to be toward the top of national statistics in pursuing habits with high health risk factors. We are ranked number 3 nationally in per capita smoking and number 3 in chronic drinking. We're also very high in the area of accident rates and mental health problems.
- ° Health promotion is a proven tool in preventing cardiovascular diseases, cancer, cirrhosis of the liver, accidents, and chronic lung disease -- the major current health problems in modern nations.

Among the types of programs, Senate Bill 94 may fund are school health education, locally initiated health promotion projects, and statewide media efforts. Lifestyle issues involved include smoking, alcohol and other drug use, safety, mental health, nutrition, and fitness.

"It is important that the State make a long term commitment to the health promotion concept," Dr. Morris stated. "Changing negative health habits takes time. To achieve this objective, the Bill calls for a five-year health promotion and education plan."

The Healthy Alaska Coalition also believes the success of the health promotion effort will require having an adequately staffed office within state government with the necessary charge and flexibility to implement the program.

Several statewide organizations have already adopted resolutions of support. Among them are the Alaska Lung Association, the American Cancer Society, the Alaska Public Health

Healthy Alaska Coalition  
January 24, 1985  
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Association, the Alaska Health Educators Consortium, the Alaska Native Health Board, the Municipal Health Commission of Anchorage, the Alaska Council on Smoking or Health, and the Alaska State Medical Society.

"The response from the organizations we have approached has all been positive," Curtis Mekemson, Executive Director of the Alaska Lung Association stated, "We're in the process of reaching out to every organization in the State that might have an interest in health promotion. It is important that these organizations support the legislation and even more important that they have an opportunity to participate in its implementation."

!

ALASKA  LUNG ASSOCIATION, Inc.

1934 - 1984

50 Years of Serving Alaskans

January 30, 1985

Curtis Mekemson, Executive Director

Senator Bettye Fahrenkamp  
State Capitol  
Pouch V  
Juneau, AK 99811

Dear Senator Fahrenkamp,

The Healthy Alaska Coalition is writing to urge your support of Senate Bill 94.

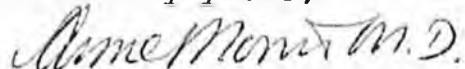
Senate Bill 94 is designed to increase the Alaska State tax on cigarettes by eight cents with the intent that the extra revenues will be principally used to fund health promotion efforts.

A detailed overview of the issue is appended for your review. In summary, there are three major points:

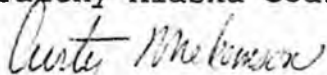
- ° The tax is worthy of consideration on its own merits. Reasons include the high public cost of smoking, the correlation between price and teenage smoking, Alaska's extremely low cigarette tax, and the probability that the U.S. Government will reduce its tax by eight cents in October.
- ° Alaska's high health risk factors point toward a serious health crisis. We are number three nationally in per capita smoking and chronic drinking. Alaska Mental Health problems and accident rates are also very high in national statistics.
- ° A long term health promotion effort which is comprehensive in nature and reaches people at school, in their homes, at work, and in the community can effectively promote wellness and encourage the avoidance of unnecessary health risks.

The cigarette tax/health promotion legislation provides Alaska with an opportunity to take an important step in assuring a healthy future. Please let us know your feelings on Senate Bill 94 and if we can provide you with any further information.

Sincerely yours,



Anne Morris, M.D., Chairman  
Healthy Alaska Coalition



Curtis Mekemson, Executive Director  
Alaska Lung Association

CM:gm

HEALTHY ALASKA COALITION

As of January 30, the following organizations have adopted resolutions supporting the cigarette tax/health promotion concept. Many more organizations are presently at various stages in also adopting resolutions.

Alaska Council on Smoking or Health  
Alaska Health Educators Consortium  
Alaska Lung Association  
Alaska State Medical Association  
Alaska Native Health Board  
Alaska Psychological Association  
Alaska Public Health Association  
Alaska School Nurses Association  
American Cancer Society  
Anchorage Neighborhood Health Center  
Municipal Health Commission of Anchorage

## THE CIGARETTE TAX IN ALASKA

### An Opportunity for Investing in Health

The following information has been developed by representation from several organizations which support the concept of increasing the Alaska State tax on cigarettes and utilizing the funds generated for health promotion. Among the organizations which have passed resolutions of support as of January 23, 1985, are the Alaska Lung Association, the American Cancer Society, the Alaska Public Health Association, the Alaska Health Educators Consortium, the Alaska Native Health Board, the Municipal Health Commission of Anchorage and the Alaska Council on Smoking or Health.

Curtis Mekemson, Executive Director  
Alaska Lung Association  
January 23, 1985

# THE CIGARETTE TAX IN ALASKA

## An Opportunity for Investing in Health

### INTRODUCTION AND SUMMARY

During 1985 Alaska has an opportunity to recapture \$6,000,000 a year it has been sending to Washington in cigarette taxes, develop what may be one of the most effective health promotion programs in the nation, and discourage an increase in smoking among young people and others. How can the state achieve these goals?

In 1983 Congress doubled its tax on cigarettes from 8-16 cents with the condition that the tax would return to 8 cents on October 1, 1985 unless Congress acted to do otherwise. Congress, after considerable debate and pressure from the tobacco lobbyists, chose not to act during its last session. Its inaction will have the effect of reducing the price of cigarettes and costing the Federal Government billions of dollars in revenues.

Washington's loss could become Alaska's gain. By passing and signing legislation to increase Alaska's tax on cigarettes by 8 cents, the State may be able to collect the money it has been sending to Washington without increasing taxes. Maintaining the price of cigarettes will have the added benefit of discouraging the increase in smoking which will result if the price of cigarettes drop. Finally, if the new revenues are focused on health promotion, the gain could be multiplied many times by reducing Alaska's serious health risk factors such as smoking and alcohol consumption.

Implementing an effective health promotion program will depend upon establishing long term goals, supporting statewide media and school health campaigns, and encouraging local community initiatives. Direction for such an effort will involve creating an appropriate structure within State government to develop a 5 year health promotion plan for Alaska, oversee statewide campaigns, provide grants to local communities, evaluate the success of the health promotion programs, and provide advice to the Governor, Legislature and appropriate State Departments on health related projects and plans.

Following is a more detailed discussion of the tax, the correlation between smoking and price, the health effects of smoking, the seriousness of Alaska's health problems, the potential of a health promotion's program, and a suggested list of activities which could be carried out in a statewide health promotion program.

## THE CIGARETTE TAX IN ALASKA

Alaska presently has a four mill levy on each cigarette which is the equivalent to eight cents a pack and raises approximately \$6,000,000 a year. Two and one half of the four mills collected goes into a special school building fund which was created in 1956. In 1961 an additional 1½ mills was added to the tax and goes into the general fund. The only significant change in the last 23 years has been to exempt application of the tax on military services.

Nationally, only four states have lower taxes than Alaska. These include North Carolina at .02, Virginia at .025, Kentucky at .03, and South Carolina at .07. Each of these States is involved in substantial tobacco production. The average State tax is 15.6 cents per pack, close to double that of Alaska.

It is difficult to predict what will happen with the Federal tax. An effort is being planned by the National Council on Smoking or Health to reinstitute the eight cents to be dropped in October 85. Obviously they will be opposed by tobacco interests. Even if the eight cents is reinstated, however, the low level of the Alaskan tax and the value of an expanded health promotion effort in Alaska would justify the new State tax.

Doubling Alaska's tax to 8 mills or 16 cents will increase State cigarette tax revenues to approximately \$12,000,000 a year. Since there is already an established procedure for collecting the tax from wholesalers by the Department of Revenue, collecting the new tax should involve a minimal of effort and expense.

Any new tax cannot be dedicated to a specific purpose under the Alaska Constitution. (The school fund is an exception because it was in effect prior to the adoption of the constitution.) Legislative intent for the expenditure of funds can be expressed however. Specific appropriation then goes through the normal budgetary process and is up for reconsideration each year.

## CIGARETTE SMOKING AND PRICE

A direct correlation exists between smoking and price. As the cost of smoking goes up, the percentage of smoking drops. A study done by Professor Eugene Lewit and other economists for the College of Medicine and Dentistry of New Jersey showed a 10% increase in the price of cigarettes would lead to a 4% overall drop in smoking. Among teenagers the drop would be 14%! Conversely, a drop in prices will encourage an increase in smoking - again with teenagers being the most effected.

NATIONAL PUBLIC ISSUE BRIEF - STATUS SHEET

DATE: August 23, 1984

ISSUE: CIGARETTE EXCISE TAX

BILL NUMBERS: H.R. 4125, 4170, 3513

- STATUS:
- House: Earlier this year, the House included provisions dealing with the cigarette excise tax in the Omnibus Deficit Reduction Act of 1984. The House version would have allowed the excise tax to be reduced to only 12¢ instead of 8¢ and extended this figure through 1988.
  - Senate: The Senate version of the Omnibus Deficit Reduction Act did not include any provisions addressing the cigarette excise tax.
  - Conference: The House/Senate Conferees voted on June 22, 1984, to eliminate the cigarette excise tax from the Omnibus Deficit Reduction Act of 1984 (H.R. 4170). This means that the cigarette excise tax will return to 8¢ per pack in 1985 as called for in the 1982 legislation.



## Coalition on Smoking OR Health

A PUBLIC POLICY PROJECT WITH THE  
NATIONAL INTERAGENCY COUNCIL ON SMOKING AND HEALTH  
1302 Eighteenth Street, N.W., Suite 603, Washington, D.C. 20036

(202) 785 8000

# With Treasuries Flush, States Talk Tax Cuts

Growing economies, higher revenues are getting the red out of most budgets, but a few areas are still hurting.

With most state budgets solidly in the black for a second straight year, proposals for tax cuts or new spending are winning support in all but a dozen or so capitals.

A state-by-state survey by *U.S. News & World Report*, taken as legislatures begin work on fiscal-year-1986 budgets, shows tax cutting concentrated mainly in the Northeast and upper Midwest, depressed areas not many years ago.

Not every state is flush enough to consider lowering taxes. Hold-the-line budgets are common in the struggling farm belt and in the energy-producing region on the Gulf of Mexico. There and elsewhere, taxes could go up.

Vermont is still fighting red ink, and oil-rich Alaska may solve its deficit by cutting expenditures. In

most other states, however, prospering economies, coupled with earlier tax hikes, have brought budgets back from the fiscal crisis of two years ago.

Revenues in many cases are running ahead of projections: West Virginia's are up by 50 million dollars, Missouri's by 40 million and Rhode Island's by 14 million. What's more, many state lotteries are raking in more than anticipated.

"While states are not as flush as they were in the late 1970s, there has been a reprieve from the relentless economic pressure of several years ago," says Steven Gold of the National Conference of State Legislatures.

Taken together, states figure to finish the year with a surplus of 5.3 billion dollars, according to the National Association of State Budget Officers. However, just 16 states anticipate healthy balances of more than 5 percent of general-fund spending. The rest could be shaky if the economy sours. For the states as a whole, the surplus probably won't match the 6.3 billion dollars left over in 1984, let alone the 11 billion of 1979 and 1980.

Restraining the buildup of surpluses is public pressure on governors to give money back to taxpayers or use it to meet state needs. Where spending is likely to go up, states are pushing basic programs, such as improving education, prisons and roads.

**Better off.** Over all, state finances are much sounder than those of the federal government, which projects a deficit of 222 billion in 1985. And state surpluses have become tempting targets for President Reagan's budget ax.

"On federal cuts, we don't know what's going to happen, but we expect the worst," says Paul Timmreck, budget director in Virginia. Administration proposals for 1986 would cut 6.3 billion dollars from federal aid to states and cities.

Worries about what Washington may take away are one reason some states are stashing their surpluses in "rainy day" funds. California Governor George Deukmejian wants a 1-billion-dollar buffer against the unanticipated. In Ohio, the target is 125 million; in Pennsylvania, 50 million.

In a dozen or so states, big sur-

pluses will allow tax relief. New Jersey Governor Thomas Kean is seeking to reduce taxes by 750 million. His package includes rebates and lower business levies. In Connecticut, Governor William O'Neill proposes cutting the sales tax from 7½ percent to 7 percent, effective April 1.

To keep up with neighboring states, Governor Mario Cuomo of New York wants to chop levies by 2.1 billion dollars during the next three years. He envisions lowering rates in the highest tax brackets, widening other brackets and raising personal exemptions by \$100.

Massachusetts Governor Michael Dukakis is pushing a 64-million-dollar tax cut, most of it in the form of a \$200 hike in personal exemptions. In Minnesota, Governor Rudy Perpich wants to reduce the top income-tax rate from 16 percent to 9.9 percent, a cut of 604 million over the next 2½ years. An average taxpayer would save \$266 a year.

Delaware may lower income taxes for a second straight year. Newly elected Governor Michael Castle wants to trim rates by 5 percent and raise personal exemptions by \$200. In 1984, residents received a 10 percent tax break.

Rhode Island's newly elected Governor Edward DiPrete wants to reduce income taxes by 8 percent, retroactive to July 1, 1984. The strong New Hampshire economy is prompting proposals to roll back business taxes, raised two years ago to deal with a deficit.

Ohio Governor Richard Celeste will try to shave 10 percent off income taxes, raised by 90 percent two years ago. Some legislators want a bigger cut. Pennsylvania income-tax rates may be cut from 2.45 percent to 2.35 percent.

In Michigan, Governor James Blanchard wants to use a projected 65-million-dollar surplus for 1986 to lower property-tax bills by an average of \$40 a year. Legislative opponents are clamoring for an immediate rollback of income-tax rates from 5.5 percent to 4.6 percent, the rate before 1983 tax hikes.

In Arizona, Governor Bruce Babbitt seeks a 10 percent income-tax rebate and property-tax relief for homeowners. Wisconsin Governor Anthony Earl recommends reducing income-tax bills an average of 6.6 percent, saving taxpayers 120 million dollars in 1986.

North Carolina may cut its 3 percent sales tax on food and drugs plus levies on investments and inventories to save taxpayers 400 million. South Carolina plans to index income taxes to inflation.

**Emphasis on schools.** Elsewhere, extra money is being spent, with education the top priority for many states.

Missouri's newly elected Governor John Ashcroft wants 50 million dollars more for public schools. California



This year, the expected balance for the 50 states is a surplus of 5.3 billion dollars. Many states are cutting taxes while increasing spending.

USA:HR—Basic data, National Assn. of State Budget Officers



Record lottery sales are pushing up state revenues.

plans to raise education outlays by 10 percent, with some of the money coming from a new lottery. New Jersey is looking at a hike of 270 million dollars for school spending, including a raise in teachers' starting salaries to \$18,500.

Governor William Allain of Mississippi is budgeting 55 million dollars for teacher raises and 5 million for a pilot program that could lead to statewide kindergartens. Georgia's biggest-ever spending hike includes teacher pay raises of 11 percent. New Hampshire wants to buy computers for its schools.

States are attacking other problems, too. Illinois Governor James Thompson is pushing a 2.3-billion-dollar "build Illinois" program to renew the state's infrastructure. New Jersey expects to spend 450 million to clean up toxic waste, sewage and garbage. Delaware has put up 30 million to attract industry.

Connecticut may spend 100 million

on a five-year program to fix up roads and bridges. New York expects to add 2 billion to housing aid for poor and middle-class families. Virginia plans to allocate 9.3 million dollars to its troubled prisons, including higher pay for guards.

In Minnesota, Governor Perpich hopes to set aside 9 million to help hard-pressed farmers plant crops this spring. The California budget calls for more money for prisons and highways and a 5.3 percent raise for welfare recipients. Utah expects to add 13 million to road-building funds. Ohio plans to spend 17 percent more on prisons.

**Troubles remain.** States

where economic hardships linger are being pressed to raise taxes. A dismal year for agriculture is plowing revenues under in farm states. North Dakota may cut spending by up to 73 million dollars. Iowa is eyeing a lottery.

Kansas Governor John Carlin advocates raising the sales tax from 3 percent to 3½ percent to generate 87 million dollars, most of this for education. In Nebraska, Governor Bob Kerrey recommends eliminating 31 sales-tax exemptions to raise 29.7 million.

Falling oil prices could leave Texas 1 billion dollars short of its spending goals. Governor Mark White hopes to trim outlays and hike fees, but many legislators fear the state will have to raise taxes for a second straight year. "This is a grim situation which might get worse before it gets better," frets Comptroller Bob Bullock.

Oklahoma is trying to find 120 mil-

lion dollars to meet a bare-bones budget. In Louisiana, Governor Edwin Edwards, facing the prospect of a deficit of 40 million, may resort to cutbacks in spending if he can't extract more money from holders of mineral leases.

Even states without money woes are fine-tuning to get more revenue. Illinois may try to squeeze 200 million out of higher liquor and cigarette taxes, coupled with a tax on interstate phone calls and private sales of used cars.

South Dakotans may get a 2-cent-a-gallon increase in gasoline taxes to raise 8 million dollars for road repairs and other expenses. Closing tax loopholes could net New Mexico 67 million. Colorado is likely to make permanent the "temporary" taxes enacted in 1983.

Trying to close its deficit, Vermont hiked income taxes by 2½ percentage points and added a tax on banks. It raised levies on business, as well as on restaurant meals and hotel rooms. With these actions and a healthy economy, Vermont hopes to turn a 19-million-dollar shortfall into a small surplus in 1986.

Oregon Governor Victor Atiyeh wants to impose a 5 percent sales tax. All of the proceeds would go to property-tax reductions of as much as 45 percent for beleaguered homeowners. "I call it tax reform," says Jon Yunker, Oregon's budget administrator.

Governor Lamar Alexander says Tennessee may be forced to impose an income tax if legislators don't back off from a measure, approved last year, taking the sales tax off food. Idaho hopes to pick up a one-time windfall of 25 million dollars by making corporations and self-employed workers pay taxes quarterly rather than annually.

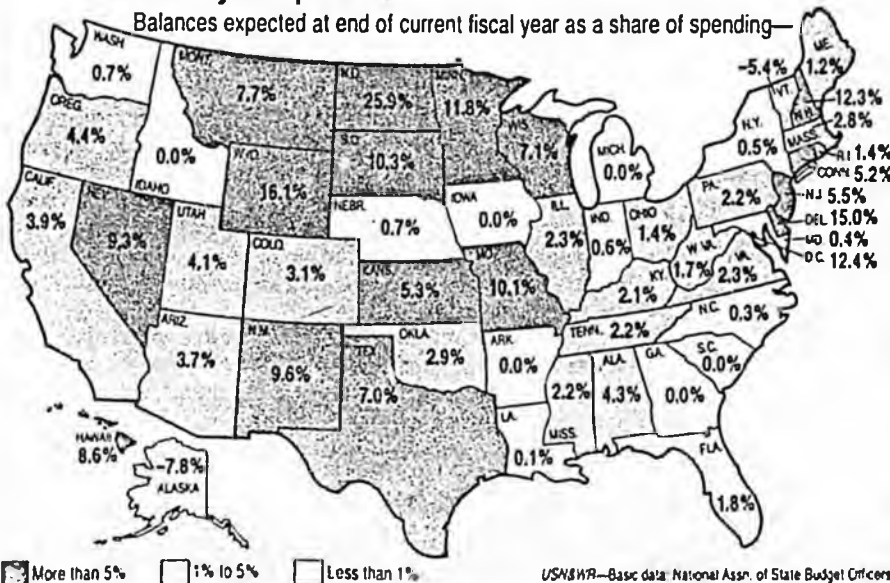
Unless Congress changes its mind, federal taxes on cigarettes will drop from 16 cents to 8 cents a pack on October 1. If that happens, Maryland, Illinois, Iowa, Nebraska, Nevada, New Mexico and Utah are prepared to raise their cigarette taxes. No matter what Congress does, higher cigarette taxes are in the works in Montana, Oregon, South Dakota and Vermont.

**Sure winner.** Many state treasuries are benefiting from big lottery sales. In Ohio, lottery revenues are up by 168 million dollars. Connecticut is running 11 million ahead of projections. Lotteries are also doing better in Massachusetts, Rhode Island and Illinois.

Even though the past two years have left state finances in better shape, budget officers are still not crowing. They worry that surpluses could evaporate quickly if the economy falters or Reagan makes good on his plan to chop federal aid to states. □

## Mostly Surpluses

Balances expected at end of current fiscal year as a share of spending—



More than 5% 1% to 5% Less than 1%

USA:HR—Basic data: National Assn. of State Budget Officers

By RICHARD ALM with the magazine's domestic bureau

TO: BETTYE  
FROM: SANDRA  
RE: SB 94, CIGARETTE EXCISE TAX  
DATE: FEBRUARY 20, 1985

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THE FEDERAL TAX STRUCTURE ON CIGARETTES DISTINGUISHES BETWEEN SMALL CIGARETTES (THOSE WEIGHING LESS THAN 3 LBS./1000, WHICH ARE WHAT WE GENERALLY THINK OF AS STANDARD CIGARETTES) AND LARGE CIGARETTES (THOSE WEIGHING MORE THAN 3 LBS./1000).

CURRENT FEDERAL TAX:

SMALL CIGARETTES	\$8/1000 OR 16¢/PACK	(8 MILLS)
LARGE CIGARETTES	\$16.80/1000 OR 33.6¢/PACK	(16.8 MILLS)

PROPOSED FEDERAL TAX IF OCTOBER 1, 1985 REDUCTION OCCURS:

SMALL CIGARETTES	\$4/1000 OR 8¢/PACK	(4 MILLS)
LARGE CIGARETTES	\$8.40/1000 OR 16.8¢/PACK	(8.4 MILLS)

CURRENT STATE TAX DOES NOT DISTINGUISH BETWEEN LARGE AND SMALL CIGARETTES.

CURRENT STATE TAX	\$4/1000 OR 8¢/PACK	(4 MILLS)
<u>EFFECT OF SB 94</u>	\$8/1000 OR 16¢/PACK	(8 MILLS)

THE DRAFT COMMITTEE SUBSTITUTE WOULD TAKE EFFECT ON OCTOBER 1, 1985 IF THE FEDERAL TAX IS IN FACT REDUCED TO \$4/1000 ON SMALL CIGARETTES. THE TAX ON BOTH LARGE AND SMALL CIGARETTES IS DUE FOR REDUCTION OCT. 1. IN THE EVENT THE TAX ON LARGE CIGARETTES IS NOT LOWERED, THE STATE TAX WOULD GO INTO EFFECT ANYWAY.

AN OPTIONAL AMENDMENT #2 WHICH ADDRESSES THE EVENTUALITY OF A FUTURE FEDERAL TAX INCREASE IS ATTACHED.

STATE OF ALASKA  
THE LEGISLATURE

PUGHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HESS      2-19-85      1:33pm  
            2-20-85      5:05pm

# THE HEALTHY ALASKA COALITION

Anne Morris, M.D.  
Chairperson

APR 22 1985  
NRN  
SB 94

April 17, 1985

Bettye Fahrenkamp  
Alaska State Legislature  
Pouch V (MS 3100)  
Juneau, AK 99811

Dear Senator Fahrenkamp:

The House version of S.B. 94, the Cigarette Excise Tax Bill, is expected to soon pass the House and return to the Senate for a vote.

The 33 statewide health-related, educational and environmental organizations comprising the Healthy Alaska Coalition strongly support the present House version in which the amendment tying Alaska's Tax changes to the Federal Tax changes has been removed. The facts of Alaska's current tax show that it:

- a) Ranks 5th lowest in the country, exceeding only four tobacco growing states.
- b) Has remained unchanged in twenty-three years, in spite of ever increasing proof of the economic and health burden caused by smoking and shared by all Alaskans.
- c) Will reduce the incidence of teenage smoking in Alaska. (Studies show a 10% increase in the cost of cigarettes leads to a 14% drop in the number of teenage smokers. Since most people start smoking as teenagers, these figures are even more significant in long term health impact.)

All of these facts justify an increase in the Alaska State Tax regardless of Federal tax changes.

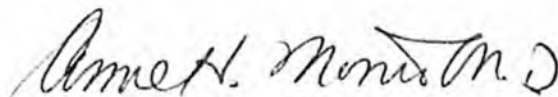
We also support the intent of the House version of the bill that these revenues be used to fund health care, health research

Bettye Fahrenkamp  
April 17, 1985  
Page 2

and health promotion and education Alaska could become a national leader in demonstrating the cost-effectiveness of health promotion and education regarding a healthy lifestyle and avoidance of unnecessary health risk behaviors that will decrease the need for major health care costs in the future.

One of our members will be contacting you in the next several days regarding your position on this bill and to answer any questions you may have on the Coalition's position in support of this bill. We hope we can count on your "yes" vote as indicated by your affirmative vote on the initial Senate version last month.

Sincerely yours,



Anne H. Morris, M.D.  
Coalition Chair

AHM/js/g

**"The Smoking Decision"****NEW COMPUTER PROGRAM TEACHES ABOUT THE RISKS OF SMOKING**

Sunburst Communications, Inc. has released an exciting new computer program that teaches students about the risks of smoking. *The Smoking Decision* was designed by David Levy, M.D., a family physician, and Andrew J. McLaren, an educator.

Intended for use at grades 6 through 12, the program alerts students to the hazards of cigarette smoking, assists students in developing decision-making skills, and helps students make a personal informed decision about whether or not to smoke cigarettes. It was designed to run on Apple II+, IIe, or IIc microcomputers with at least 48K of memory.

*The Smoking Decision* makes good use of the Apple's graphic capability. Colorful graphics and musical cues are used to capture the students' interests and illustrate important concepts. Students are encouraged to interact with the program and each student's responses are incorporated into the examples presented by the program.

For example, when learning about the health risks of smoking, students play a "gruesome game" where they "select" certain smokers in the "population" shown on the screen for observation. The program then compares smoker and non-smoker mortality rates by "killing-off" certain smokers and non-smokers in the population. Students can observe "their" smokers' chances of dying from a smoking-related illness.

The program is effective at countering student resistance to making a non-smoking decision. Should a student respond that he or she thinks that it is possible for a person to be a good athlete and still smoke, for example, the program responds "You're right. You can be good — but you can't be your best." It accepts any answer that the student gives it, and cleverly rebuts any pro-smoking answer without making the student feel stupid or foolish.

Although intended for use in grades six through twelve, we found that university students and adults were fascinated by it. So fascinated, in fact, that it was difficult to regain control of our microcomputer from them. It offers excellent potential for use as a patient education tool in office waiting rooms, and could be

useful in certain smoking cessation programs.

*The Smoking Decision* is one of the best smoking education microcomputer programs we have reviewed. It effectively uses the graphics and auditory capabilities of the Apple computer to make learning interesting and fun. Appropriate use of humor and attention-getting visuals keep the student's attention and aid the student in making an informed smoking decision.

*The Smoking Decision* includes a helpful Teacher's Guide that assists teachers in incorporating the program into their health education curriculum. A single copy-protected package, including a diskette, a backup copy, and teacher's guide costs \$55. A "computer lab package" that includes ten copies of the diskette is available for \$165. For further information, contact:

Sunburst Communications, Inc.  
Room SH31  
39 Washington Avenue  
Pleasantville, N.Y. 10570  
(800) 431-1934 or  
(914) 769-5030

**CIGARETTE TAX INCREASE STILL PENDING**

At press time for this issue of *Smoking and Health Reporter*, Congress had not acted upon the cigarette excise tax bills before it. Under existing law, the federal excise tax was set to drop from 16 cents per pack to 8 cents per pack. A new study from Harvard University projected that such a price cut could result in increasing the number of smokers in the U.S. by up to 2 million.

The American Association of Retired Persons (AARP) is strongly supporting several of the legislative proposals that would earmark the additional tax revenues to support Medicare. AARP has also joined the coalition of over 30 national organizations urging Congress to increase the cigarette excise tax to 32 cents per pack.

As Congress began final action on the excise tax proposals, the U. S. Office of Technology Assessment reported to Congress that cigarette smoking creates an additional \$65 billion per year in health-related expenses for the American public. Pro-rated, these expenses are equal to \$2.17 per pack of cigarettes. A very large proportion of these expenses are paid by taxpayers, since a disproportionate share of cigarette-related health care costs are incurred by Medicare and Medicaid patients.

**New Metropolitan Life Report  
LUNG CANCER DEATHS IN  
WOMEN JUMPS 300%+ FROM  
1960 TO 1982**

According to a report published in the July-September issue of the Metropolitan Life Insurance Company's *Statistical Bulletin*, lung cancer deaths among women have skyrocketed in the past two decades. Among women age 35 to 84, lung cancer mortality increased by 317.9% between 1960 and 1982.

Contrasting lung cancer mortality with breast cancer mortality, the report commented "In 1985 an estimated 119,000 new cases of invasive breast cancer will be detected with a projected five-year survival rate of 70%. At the same time, 46,000 new lung cancers will be diagnosed among women with an overall survival rate averaging 13%."

Among women 55 and older, lung cancer mortality quadrupled between 1960 and 1982. The investigators discovered that the greatest increases were found in the 55-64 and 65-74 age groups. They observed that "these last two rates are particularly significant because they are a true reflection of the popularity and acceptance of cigarette smoking established among women of that age cohort in the 1940s and 1950s."

"It is an unacceptable irony that as women have moved toward parity with men in civil and economic rights, they should also join men in the ranks of smokers dying of lung cancer. Here is one inequity that should have been preserved."

[*"Mortality Trends of Lung and Breast Cancer in Women," Metropolitan Life Insurance Company Statistical Bulletin 66(3):4-8, July-September, 1985.*]

**CHANGES OF ADDRESS & REQUESTS TO BE ADDED TO OUR MAILING LIST**

Please send all address changes and requests to be added to our mailing list to:

*Smoking and Health Reporter*  
HPER Building Room 116  
Indiana University  
Bloomington, IN 47405

Address changes should be accompanied by your current mailing label or a photocopy of one. We are unable to process address changes without the exact information that is contained on your label. Requests for addition to our mailing list should be sent on your letterhead. Due to postal regulations for third-class mail, we need your accurate zip code before we can process any mailing list request.

## RECOMMENDED READING

### "E.P.A. STUDY" ON PASSIVE SMOKING LUNG CANCER RISK PUBLISHED

The long-awaited "E.P.A. study" linking involuntary passive smoking to lung cancer in non-smokers was published in May, 1985 in the journal *Environment International*. Using data collected in previous studies, Environmental Protection Agency scientist James L. Repace and Naval Research Laboratory investigator Alfred H. Lowrey project up to 5000 deaths in the United States each year from involuntary passive smoking. The January, 1985 issue of *Smoking and Health Reporter* described the study in more detail.

[Repace, J. L., and Lowrey, A. H., "A Quantitative Estimate of Nonsmokers' Lung Cancer Risk from Passive Smoking," *Environment International* 11:3-22, 1985.]

### STILL MORE EVIDENCE

An article in the May 24, 1985 issue of *The Journal of the American Medical Association* describes the more than 100 papers published on the effects of involuntary passive smoking in humans. It cites, among others, the Repace EPA review [see above] of 14 epidemiologic studies of the effects of involuntary passive smoking in which 13 of the 14 studies showed elevated risks of lung cancer among non-smokers exposed to cigarette smoke."

[Marwick, C., "Effects of 'Passive Smoking' Lead Nonsmokers to Step Up Campaign," *Journal of the American Medical Association* 253:2937-2938, 1985.]

Another article in *American Journal of Epidemiology* adds more evidence to the cancer-passive smoking link. A North Carolina research project examined records of a hospital-based tumor registry and found that spouses of smokers had 1.6 times the cancer risk of spouses of non-smokers.

[Sandler, D. P., et al., "Passive Smoking in Adulthood and Cancer Risk," *American Journal of Epidemiology* 121:37-48, 1985.]

### Now Its Heart Attacks! NEW EVIDENCE AGAINST PASSIVE SMOKING

A new study published in *American Journal of Epidemiology* shows evidence that involuntary passive smoking presents a risk of heart disease to non-smokers forced to breathe smoke-filled air.

This new report follows several others which have shown a link between involuntary smoking and lung cancer.

The study, conducted by a research team from the University of California-San Diego, examined 695 non-smoking women who were classified according to their husband's smoking status. The women were followed for ten years and those exposed to involuntary pas-

sive smoking at home had higher total and age-adjusted death rates from ischemic heart disease than women who were not so exposed. The adjusted relative risk of ischemic heart disease for such exposure was 14.9. There was also a marked dose-response relationship, with higher rates for wives of men who smoked more than a pack of cigarettes per day.

"These data are compatible with the hypothesis that passive cigarette smoking carries an excess risk of fatal ischemic heart disease."

[Garland, C., et al., "Effects of Passive Smoking on Ischemic Heart Disease Mortality of Nonsmokers," *American Journal of Epidemiology* 121:645-650, 1985.]

### MEDICAL JOURNALS PUBLISH SPECIAL ISSUES ON SMOKING

Two important medical journals recently published special issues dealing with the health problems associated with cigarette smoking. In May, *The Journal of the American Medical Association* published a special issue devoted to smoking and health.

[*Journal of the American Medical Association* 253, May 24/31, 1985.]

Also of interest, the July, 1985 issue of the *New York State Journal of Medicine* was devoted, entirely, to "The World Cigarette Pandemic — Part II." The 200-page issue examines the ethical, social, political, and economic aspects of the smoking problem. Part I was published in the journal's December, 1983 issue.

[*The World Cigarette Pandemic, special issue of New York State Journal of Medicine* 83:12, December, 1983, and *The World Cigarette Pandemic — Part II, special issue of New York State Journal of Medicine* 85:7, July, 1985.]

### In Case You Missed Them SAT-EVE-POST ATTACKS SMOKELESS TOBACCO USE

In case you missed them the *Saturday Evening Post* recently published articles on tobacco use in three recent issues. The articles, intended for the lay reader, include an interview with Surgeon General Koop and describe the hazards of smokeless tobacco use and the trend toward litigation against the manufacturers of tobacco products.

In the Koop interview, the Surgeon General states "All of the things that you don't like in smoke are in chewing tobacco. The nicotine is there, and all the carcinogenic things are there. It is true you won't get cancer of the lung from chewing tobacco, but you can get cancer of the mouth....You can get the addiction to nicotine."

[SarVaas, Cory, "The Surgeon General is Determined," *The Saturday Evening Post* April, 1985, pp. 52-53, 108; White, Lawrence, "Suing the Tobacco Companies," *The Saturday Evening Post* July/August, 1985, pp. 58-61, 97-98; Myers, Hortense, "Getting Tough on Snuff," *The Saturday Evening Post* September, 1985, pp. 62-65, 110.]

### Nicorette<sup>®</sup> "Guide" NEW BOOK TELLS HOW TO STOP SMOKING USING NICOTINE GUM

A new book written by Walter S. Ross provides smokers with help in quitting their habit using Nicorette<sup>®</sup> chewing gum. *How to Stop Smoking Permanently: With the New Nicotine Gum* presents step-by-step assistance to the would-be non-smoker. It provides a scientifically accepted strategy in easy-to-read form, giving quitters needed support to make their attempt at quitting successful.

Research has shown that nicotine gum is most effective in helping people stop smoking when it is used as a part of a total program of smoking cessation. It clearly isn't a "magic bullet" that makes quitting easy — it may, however, make it easier. The Ross book gives physicians a powerful, easy-to-use program for their patients, without the need to schedule patients into support groups or group cessation "clinics."

According to Merrell Dow Pharmaceuticals Inc., manufacturer of Nicorette<sup>®</sup>, more than 4.5 million prescriptions for Nicorette<sup>®</sup> have been filled in the United States since it was approved for marketing in 1984. They estimate that about 2 million smokers have attempted to quit using the gum, and about "600,000 of these have already been successful in quitting." Use of *How to Stop Smoking Permanently: With the New Nicotine Gum* should make learning to use Nicorette<sup>®</sup> even easier.

### SMOKELESS TOBACCO & BLOOD PRESSURE

A recent letter to the *New England Journal of Medicine* reported a "direct and positive relation between smokeless tobacco use and higher blood pressure readings" in young men aged 18 to 25. The average blood pressure reading of the smokeless tobacco users was 143.7/80.7 mm Hg; among non-users it was 131.6/72.8.

[Schroeder, K.L., and Chen, M.S., "Smokeless Tobacco and Blood Pressure," *New England Journal of Medicine* 312(14):919, April 4, 1985.]

### BITS AND PIECES

Tobacco Institute Chairman, Horace R. Kornegay was presented with the "Americanism Award" from the B'nai B'rith at its recent meeting in Washington. Kornegay received a similar award last year from Catholic Charities.

One of Frank Sinatra's favorite songwriters, Ervin Drake, wrote the music for "Relax, Enjoy A Cigar." A contest to write lyrics for the song began June 10 on 179 radio stations nationwide.

SB 94

TO: BETTYE  
FROM: SANDRA  
DATE: FEB. 18, 1985

SB 94 (V. FISCHER) INCREASES THE STATE EXCISE TAX ON CIGARETTES BY 4 MILLS (WHICH MEANS 8¢ PER PACK OF CIGARETTES).

CURRENT TAX:

AS 43.50.090 2.5 mills since before Statehood so grandfathered dedicated fund. Money goes to School Fund (each district gets annual amount based on number of professional personnel in the district).

AS 43.50.190 1.5 mills since 1961 to general fund

CURRENT FEDERAL TAX:

16¢ per pack, scheduled to be reduced by half October 1, 1985

Sen. Moynahan has introduced legislation to restore tax to 16¢; Sen. Hine has talked about introducing legislation to double the tax to 32¢ and earmark 16¢ to go to Medicare.

REVENUES:

\$5,081,730 from current State tax 1983. Estimate additional \$5 million if increase tax by 4 mills.

EVEN IF FEDERAL TAX IS NOT REDUCED, HEALTH COALITIONS WANT STATE TAX RAISED:

1. ALASKA HAS HAD SAME CIGARETTE TAX FOR 23 YEARS.
2. OUR PRESENT 8¢ TAX IS 5th LOWEST IN THE NATION.
3. INTERESTED IN INCREASING FUNDING FOR HEALTH PROMOTION AND EDUCATION PROGRAMS.

NOTE: SB 94 DOES NOT ATTEMPT TO DEDICATE FUNDS FOR ANY SPECIFIC PURPOSE. HOWEVER, ITS INTENT LANGUAGE ASKS THAT FUNDS BE SPENT ON PROGRAMS TO ENHANCE WELLNESS, AND TO ENCOURAGE THE AVOIDANCE OF UNNECESSARY HEALTH RISKS (SMOKING, ALCOHOL, DRUGS).

cigarette # status?

letters 2 p.

FEB 21 1986

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# THE HEALTHY ALASKA COALITION

Anne Morris, M.D.  
Chairperson

February 18, 1986

Bettye M. Fahrenkamp  
State Legislature  
Box V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

With the passage of non-smoking legislation in 1984 and the doubling of the cigarette tax in 1985, the Alaska Legislature recognized the importance of health promotion in preventing disease and enabling people to live longer, healthier, and more productive lives. This commitment to health promotion is making Alaska a national leader in the field.

A key issue the legislature has to deal with this year is how closely it will follow the intent language of the cigarette tax bill that new revenues generated go principally toward the support of health care, education, promotion, and research efforts in Alaska.

The Healthy Alaska Coalition wishes to stress how important this decision is. We believe that an opportunity exists to have a major impact on the health of this and future generations of Alaskans. More specifically, we would like to see the development of a long term health promotion policy that is comprehensive in nature, deals with the major health risk factors prevalent in Alaska, reaches people in various aspects of their lives, and builds a partnership between the public, private, and nonprofit sectors. Our thoughts are further detailed in the concept paper.

The Healthy Alaska Coalition is prepared to work with the legislature and the administration this year in following up on the health promotion concept. Presently, we are planning a major conference for the fall which will focus on health promotion in the workplace, school, media, community, and medical care delivery system. Task forces are now being formed in each of these areas to do advance work for the conference. The Alaska Lung Association, American Heart Association, and American Cancer society are jointly contracting with Rocky Plotnick-Weller of Juneau to serve as the conference coordinator as well as represent our interests in Juneau.

As the year progresses we will be contacting you regarding your feelings about the utilization of cigarette tax dollars, the conference, and the development of a State Health Promotion Policy. If you have any questions, please feel free to contact Rocky Plotnick-Weller at 586-6806 or me at 346-2879.

Sincerely,



Anne H. Morris, M.D.  
Chair, Healthy Alaska Coalition

AHM/lbs

Enclosures

# THE HEALTHY ALASKA COALITION

Anne Morris, M.D.  
Chairperson

September 30, 1985

THE CIGARETTE TAX AND HEALTH PROMOTION IN ALASKA  
A Concept Paper by the Healthy Alaska Coalition

## INTRODUCTION

During its 1985 session the Alaska Legislature passed and the Governor signed a law which will increase the State cigarette tax from eight to sixteen cents and generate some five to six million dollars annually in new revenues. In passing the law, the Legislature included intent language that the new funds be used principally to support health care, research, and promotion programs. The law goes into effect October 1, 1985.

Two key issues pertaining to the legislation still need to be resolved.

The first is how closely Legislative intent will be followed in allocating the new tax dollars. Will the income go principally toward the support of health related programs or will they go toward a variety of other projects? The continuing drop in State oil revenues suggests it will be quite tempting for the Governor and Legislature to regard any new funds as a way of shoring up ongoing programs...health related or not.

The second issue is how the dollars which actually are allocated to health related programs will be spent. Major options include health care and health promotion. Health care deals with immediate life, death, and illness issues while health promotion is more concerned with a long term process of preventing disease and enabling people to live longer, healthier, and more productive lives. Given the reality of tight budgeting, the tendency may be to focus on the immediate and ignore the long term.

The Healthy Alaska Coalition is concerned about both of these issues. Much of the community support for the cigarette tax was predicated on the revenues generated going toward the support of health related programs as is expressed in the legislative intent. Deviating extensively from the intent will detract from the law's potentially positive impact on health in Alaska.

An equal concern is that the possibility of funding a statewide and coordinated health promotion effort in Alaska may be lost. THE PURPOSE OF THIS PAPER IS TO OUTLINE THE CRITICAL IMPORTANCE OF DEVELOPING SUCH AN EFFORT AND SUGGEST SOME INITIAL STEPS TO BE TAKEN.

## THE NEED: A GROWING CRISIS IN HEALTH RISK BEHAVIOR

A recent national study identified approximately two thirds of deaths and 90% of potential years of life lost before the age of 65 were due to potentially preventable causes. Tobacco, alcohol abuse, and accidents lead the list of risk taking behavior considered preventable today, and Alaska ranks close to the top of national statistics in these areas. In the incidence of smoking and chronic drinking we rank third while our accident rate is nearly double the national average. Eventually these impersonal statistics translate into very personal human illness and death which, in turn, translate into millions of public and private dollars being spent on health care and lost productivity.

## HEALTH PROMOTION AS A TOOL IN DISEASE PREVENTION

Health promotion has become a major tool for preventing cardiovascular disease, accidents, cancer, chronic lung disease, and cirrhosis of the liver - the major current health problems in modern nations. In a sense, a lesson has been learned from the tobacco and liquor industries - promotion pays. If people can be persuaded to pursue habits injurious to their health, they can also be persuaded not to.

The task, however, is not easy. Changing behavior patterns is always difficult. If the behavior is tied to an addictive drug such as tobacco or alcohol whose use is reinforced by billion dollar advertising campaigns the difficulty is increased even more. When wide spread use, peer pressure, and role model identification are added to the equation the true magnitude of the task begins to emerge.

But it isn't impossible. Health promotion enables people to take responsibility for and control over their health as an important component of everyday life. This requires full and continuing access to information about health. With presently available information and support, millions of Americans have already chosen healthier life styles. They've quit smoking, reduced drinking, changed eating habits, and become fit. It is the job of health promotion to provide this information and support.

## MOVING TOWARD A STATE HEALTH PROMOTION POLICY

In supporting passage of the cigarette tax, the Healthy Alaska Coalition urged that a significant portion of the funds go toward the development of a State Health Promotion Policy. The Coalition also outlined a number of elements it felt might be included in such a policy. The following were included:

\*Several life style issues deserve attention. Among them are smoking, nutrition, alcohol and other drug use, safety, mental health, and fitness.

\*A long term commitment to the program is needed. Establishing lifelong positive health habits takes time. The best approach will be to develop a multi-year health promotion plan for the state. The plan should include specific goals and objectives that can be carefully evaluated during and at the completion of the program. A critical part of the process will be developing an adequate data base for establishing priorities and measuring results.

\*The health promotion effort must be designed to reach people in all aspects of their lives; at home, in school, in the community, at the workplace and through the medical care system. Continual reinforcement is critical in changing behavioral patterns. Reaching young people must be a particular priority. Providing comprehensive health education through all of our school systems is a proven approach. The media can also be a powerful tool for reaching young people and Alaskans of all ages.

\*Local initiative is critical. The key to health promotion lies in encouraging people to take responsibility for their own health. One way to encourage local initiative will be to make grants available to local communities and organizations to help carry out the multi-year plan.

\*Some type of structure will have to be created to oversee the Policy's implementation. While the Coalition does not believe a new State bureaucracy is necessary or desirable to carry out the State Health Promotion Policy, an office with minimal staffing will be essential. The best location would be within the Governor's office since coordination between various state departments, community organizations, local government, and the private sector will be necessary. It could also be located within an existing department, such as HSS or Education, however. An advisory board or commission should also be established to provide advice and or direction to the office and to help in developing and overseeing the implementation of the State Health Promotion Policy. The advisory board/commission is important for assuring the community involvement necessary to the success of the health promotion effort.

\*Adequate funding must be available and should be committed for at least the life of the health promotion plan. These funds may involve an expenditure of up to three million dollars annually depending upon the extent of programs including comprehensive school health education, media campaigns, and community grants. (Three million is approximately half of the revenues generated by the new cigarette tax.)

## THE NEXT STEP

The development of a viable State Health Promotion Policy calls for participation from a wide spectrum of the Alaska community. The Healthy Alaska Coalition is proposing to sponsor a conference in late spring to involve all interested parties and focus on the key elements of the Policy. State agencies, Coalition Members, Legislators, the private sector, and any other interested group or individuals will be invited to participate. Recommendations will then be forwarded to the Governor, Legislature, and other appropriate bodies.

## A HEALTHY ALASKA

Health is not a goal in itself. It is a resource for everyday life. Developing and funding a statewide health promotion policy with cigarette tax dollars can provide all Alaskans with the information and support necessary to choose a healthier, longer, and more productive life style.

This concept paper was drafted by Anne Morris, M.D., Chair of HAC, and Curtis Mekemson, Executive Director of the Alaska Lung Association. It is based on the Coalition's original statement supporting the cigarette tax. The following sources were utilized in its development.

Health Promotion: A Discussion Document on the Concept and Principles, World Health Organization Regional Office for Europe, Copenhagen, Sept. 1984

Document on Policy Issues in Health Promotion, R.A. Draper, Director General, Health Services and Promotion Branch, Health and Welfare, Canada, Dec. 1984

Closing the Gap, Report of the Carter Center Health Policy Consultation, Journal American Medical Association, Vol. 254 #10, Sept. 13, 1985

The Health of Alaskans: An Assessment of the Prevalence of Behaviors Posing Health Risks, The Alaska Department of Health and Social Services, Health Education Risk Reduction Project, Feb. 1983.

# THE HEALTHY ALASKA COALITION

Anne Morris, M.D.  
Chairperson

Alaska Center for the Environment  
Alaska Council on Prevention of  
Alcohol and Drug Abuse, Inc.  
Alaska Council on Smoking or Health, Inc.  
Alaska Dental Society  
Alaska Environmental Lobby, Inc.  
Alaska Federation of Natives  
Alaska Health Education Consortium  
Alaska Health Project  
Alaska Lung Association  
Alaska Native Health Board  
Alaska Psychological Association  
Alaska Public Health Association  
Alaska School Nurses Association  
Alaska State Medical Association  
Alaska State Parents and Teachers Association  
Alaska State Society for Respiratory Therapy  
American Academy of Pediatrics, Alaska Chapter  
American Cancer Society  
American Heart Association  
American Psychiatric Association  
Anchorage Commission on Youth  
Anchorage Medical Society  
Anchorage Neighborhood Health Center  
Anchorage Parents and Teachers Association  
Fairbanks Medical Association  
Kachemak Bay Conservation Society  
Kodiak Area Native Association  
Municipal Health Commission of Anchorage  
National Education Association  
North Slope Borough Cancer Research Project  
Providence Hospital  
School Administrators Association  
Seventh Day Adventist Churches  
Southcentral Health Planning and Development  
Southeast Alaska Health Systems Agency