

S B

3 3 9

STATE OF ALASKA THE LEGISLATURE

POUCH Y - 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

H. JUD.	5-4-88	1:30 p.m.
H. JUD.	5-3-88	1:30 p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/21/88

FURTHER REFERRALS:

DATE: May 4, 1988

The Judiciary Committee has considered CSSB 339 (Jud) am

"An Act relating to tobacco products."

RECOMMENDS:

- replace with HCS CS SB 339 (Jud) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Chairman's signature

Adopted

5-1426N
Chenoweth
4/12/88

*w/ HESS
CS, sec's 1+4*

Original sponsors: Faiks and Binkley

1 IN THE SENATE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 339

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to tobacco products."

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

8 * Section 1. AS 11.76.100 is repealed and reenacted to read:

9 Sec. 11.76.100. SELLING OR GIVING TOBACCO TO A MINOR. (a) A
10 person commits the offense of selling or giving tobacco to a minor if
11 the person

12 (1) knowingly sells, exchanges, or gives a cigarette, a
13 cigar, tobacco, or a product containing tobacco to a person under 19
14 years of age; or

15 (2) maintains a vending machine that dispenses cigarettes,
16 cigars, tobacco, or products containing tobacco and that is accessible
17 to persons under 19 years of age.

18 (b) Notwithstanding the provisions of (a) of this section, a
19 person who maintains a vending machine is not in violation of (a)(2)
20 of this section if

21 (1) the vending machine is in a location that is generally
22 supervised by a person who maintains the vending machine, or an em-
23 ployee of the person, during the hours the machine is accessible;

24 (2) the vending machine is in a location where a person
25 under 21 years of age, other than an employee of the owner of the
26 premises, is not allowed entry by law unless accompanied by a parent,
27 guardian, or spouse of the person who is 21 years of age or older; or

28 (3) the vending machine is in a location where a person
29 under 19 years of age is not allowed entry by policy of the owner of

1 the premises unless accompanied by a person 19 years of age or older.

2 (c) In this section, a person maintains a vending machine if the
3 person owns the machine or owns or controls a facility in which the
4 machine is located.

5 (d) Selling or giving tobacco to a minor is a violation.

6 * Sec 2. AS 11.76 is amended by adding a new section to read:

7 Sec. 11.76.105. PURCHASE OF TOBACCO BY A MINOR. (a) A person,
8 being younger than 19 years of age, may not purchase a cigarette, a cigar,
9 tobacco, or a product containing tobacco in this state.

10 (b) Purchase of tobacco by a minor is a violation.

11 * Sec. 3. AS 43 is amended by adding new sections to read:

12 ARTICLE 3. EXCISE TAX ON CERTAIN TOBACCO PRODUCTS.

13 Sec. 43.50.300. EXCISE TAX LEVIED. An excise tax is levied on
14 tobacco products in the state at the rate of 25 percent of the whole-
15 sale price of the tobacco products. The tax is levied when a person

16 (1) brings, or causes to be brought, a tobacco product into
17 the state from outside the state for sale;

18 (2) makes, manufactures, or fabricates a tobacco product in
19 the state for sale in the state; or

20 (3) ships or transports a tobacco product to a retailer in
21 the state for sale by the retailer.

22 Sec. 43.50.310. EXEMPTIONS. (a) A facility operated by one of
23 the uniformed services of the United States is exempt from the tax.
24 In this subsection, "uniformed services" has the meaning given in 5
25 U.S.C. 2101.

26 (b) The tax does not apply to a tobacco product if the United
27 States Constitution or other federal laws prohibit the levying of the
28 tax on the product by the state.

29 Sec. 43.50.320. LICENSING. (a) Except as provided in (g) of

1 this section, a person must be licensed by the department if the
2 person engages in business as a distributor for a tobacco product that
3 is subject to the tax.

4 (b) The department, upon application and payment of a fee of
5 \$50, shall issue a license for one year to a person who applies for a
6 license under (a) of this section.

7 (c) The department may refuse to issue a license under this
8 section if there is reasonable cause to believe the information sub-
9 mitted in the application is false or misleading and is not made in
10 good faith.

11 (d) A license issued under this section must include the name
12 and address of the licensee, the type of business to be conducted, and
13 the year for which the license is issued.

14 (e) The department may renew a license issued under this section
15 for a fee of \$50.

16 (f) The department may suspend or revoke a license issued under
17 this section if the licensee violates a provision of AS 43.50.300 -
18 43.50.390 or a regulation adopted under AS 43.50.370.

19 (g) A license required by this section is in addition to any
20 other license required by law, except that a person who is licensed
21 under AS 43.50.010 - 43.50.180 is exempt from the licensing require-
22 ments of this section.

23 (h) A license issued under this section is not assignable or
24 transferable, except that in the case of death, bankruptcy, receiver-
25 ship, or incompetency of the licensee, or if the business of the
26 licensee is transferred to another by operation of law, the department
27 may extend the license for a limited time to the executor, administra-
28 tor, trustee, receiver, or the transferee.

29 Sec. 43.50.330. RETURNS. (a) On or before the last day of each

1 calendar month, a licensee shall file a return with the department.
2 The return must state the number or amount of tobacco products sold by
3 the licensee during the preceding calendar month, the selling price of
4 the tobacco products, and the amount of tax imposed on the tobacco
5 products.

6 (b) The licensee shall remit with the return the tax due under
7 AS 43.50.300 for the month covered by the return, after deducting one
8 percent of the tax due, which the licensee shall retain to cover the
9 expense of accounting and filing the return.

10 Sec. 43.50.340. RECORDS. A licensee shall keep a complete and
11 accurate record of all tobacco products of the licensee subject to the
12 tax, including purchase prices, sales prices, the names and addresses
13 of the sellers and the purchasers, the dates of delivery, the quan-
14 tities of tobacco products, and the trade names and brands. State-
15 ments and records required by this section must be in the form pre-
16 scribed by the department, preserved for three years, and available
17 for inspection upon demand by the department.

18 Sec. 43.50.350. DISPOSITION OF PROCEEDS. The tax collected by
19 the department shall be deposited in the general fund. The commis-
20 sioner of administration shall separately account for the taxes that
21 are deposited in the general fund under this section. The annual
22 estimated balance in the account may be used by the legislature to
23 make appropriations for health care, health research, health pro-
24 motion, and health education programs.

25 Sec. 43.50.360. ANNUAL REPORT. The department shall submit to
26 the legislature by the first day of each regular legislative session a
27 report indicating the amount of the tax collected during the fiscal
28 year that ended on the June 30 preceding the session.

29 Sec. 43.50.370. REGULATIONS. The department shall adopt under

1 the Administrative Procedure Act (AS 44.62) reasonable regulations
2 that it considers necessary to carry out the provisions of AS 43.50.-
3 300 - 43.50.390.

4 Sec. 43.50.390. DEFINITIONS. In AS 43.50.300 - 43.50.390

5 (1) "distributor" means a person who

6 (A) brings, or causes to be brought, a tobacco product
7 into the state from outside the state for sale;

8 (B) makes, manufactures, or fabricates a tobacco
9 product in the state for sale in the state; or

10 (C) ships or transports a tobacco product to a retail-
11 er in the state for sale by the retailer;

12 (2) "licensee" means a distributor who is

13 (A) licensed under AS 43.50.320; or

14 (B) exempted by AS 43.50.320(g) from licensing under
15 AS 43.50.320;

16 (3) "the tax" means the tax levied by AS 43.50.300;

17 (4) "tobacco product" means

18 (A) a cigar;

19 (B) a cheroot;

20 (C) a stogie;

21 (D) a perique;

22 (E) snuff and snuff flour;

23 (F) smoking tobacco, including granulated, plug-cut,
24 crimp-cut, ready-rubbed, and any form of tobacco suitable for
25 smoking in a pipe or cigarette;

26 (G) chewing tobacco, including cavendish, twist, plug,
27 scrap, and tobacco suitable for chewing; or

28 (H) an article or product made of tobacco or a tobacco
29 substitute, but not including a cigarette as defined in

AS 43.50.170;

(5) "wholesale price" means the established price for which a manufacturer sells a tobacco product to a distributor, after deduction of a discount or other reduction received by the distributor for quantity or cash.

* Sec. 4. AS 43.50.170 is amended to read:

Sec. 43.50.170. DEFINITIONS. In AS 43.50.010 - 43.50.190 [THIS CHAPTER], unless the context otherwise requires,

(1) "buyer" means a person who imports or acquires cigarettes for the person's [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;

(4) [(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;

(5) [(6)] "licensee" means a person licensed under AS 43.-50.010 - 43.50.180;

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

1 (7) [(8)] "person" includes an individual, company, part-
2 nership, joint venture, joint agreement, association, mutual or other-
3 wise, corporation, estate, trust, business trust, receiver, [OR]
4 trustee, syndicate, or political subdivision of this state, or combi-
5 nation acting as a unit;

6 (8) [(9)] "place of business" means a place where ciga-
7 rettes are sold, or where cigarettes are brought or kept for the
8 purpose of sale or consumption, including a vessel, vehicle, airplane,
9 or train;

10 (9) [(10)] "retailer" means a person in the state who is
11 engaged in the business of selling cigarettes at retail;

12 (10) [(11)] "sale" includes a sale, barter, exchange, and
13 every other manner of transferring the ownership of personal property.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

A M E N D M E N T

Offered in the HOUSE

TO: HCS CSSB 339(HESS)

Page 1, following line 7:

Insert a new bill section to read:

"* Section 1. PURPOSE. AS 11.76.105, added by sec. 3 of this Act, makes the purchase of cigarettes by persons under age 19 a violation. The sole penalty for a violation is a fine. The amendment of AS 47.10.010(b), made by sec. 4 of this Act, implements legislative intent. Because children's proceedings do not provide for the imposition of fines, the amendment of AS 47.10.010(b) excludes these offenses from the juvenile jurisdiction of the superior court, allowing the citation of minors and the imposition of fines by the district court."

Page 1, line 8:

Delete "* Section 1."

Insert "* Sec. 2."

Renumber subsequent section accordingly.

Page 2, following line 10:

Insert a new bill section to read:

"* Sec. 4. AS 47.10.010(b) is amended to read:

(b) When a minor is accused of violating a traffic statute or

regulation, a traffic ordinance or regulation of an incorporated municipality, AS 11.76.105 relating to the purchase of tobacco by a minor, a fish and game statute or regulation under AS 16, or a parks and recreational facilities statute or regulation under AS 41.21, excepting a statute the violation of which is a felony, the procedure prescribed in AS 47.10.020 - 47.10.090 may not be followed, except that a parent, guardian, or legal custodian shall be present at all proceedings. The minor accused of an [A TRAFFIC] offense specified in this subsection [, A FISH AND GAME STATUTE OR REGULATION VIOLATION UNDER AS 16 OR PARKS AND RECREATIONAL FACILITIES VIOLATION UNDER AS 41.21] shall be charged, prosecuted, and sentenced in the district court in the same manner as an adult."

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to tobacco products.
Sponsor: Falks
Requestor: _____

Agency Affected: Health & Social Services
BRU: State Health Services
Components: Public Health Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The enactment of CSSB 339 (Jud.) would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward Director *Elizabeth Ward* Phone: 465-3090
Division: Public Health Date: 3-16-88

Approved by Commissioner: Mary Jo Neenan *Mary Jo Neenan* Date: 3-16-88
Agency: Department of Health & Social Services

Distribution (by preparer):

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

SERVICE AMERICA CORPORATION



Service America is concerned over the encumbrance this bill would have on our adult customers who choose to smoke.

We currently have eighteen private sector locations with controlled access or lunch rooms for employees that are not supervised. This list of accounts include Alascom, Alaska Railroad, Alyeska Pipeline, ERA Aviation, National Bank of Alaska, and the U.S. Post Office General Mail Facility.

As written, the language in Senate bill 339 would prohibit these locations from providing the convenience of a cigarette machine to their employees who choose to smoke.

The financial burdens including 17% loss in sales and equipment worth more than \$25,000 sitting idle is more than we can absorb in this failing economy. Most of all this bill would cause termination of one employee and the reduction in hours of one other.

Since this equipment is generally in locations where minors are not present, the bill as written and the removal of the vendors would only put an undue hardship on our industry and do nothing to achieve the intent which is to prevent our youth from purchasing cigarettes from vending machines.

Our industry has the ability to act responsibly and work with the location owners to insure adequate supervision over the vendors and also to react by removing equipment which is not supervised.

April 19, 1988

The Honorable Niilo Koponen and Johnny Ellis
Co-Chairmen
HESS Committee
House of Representatives
Alaska State Legislature
Juneau, Alaska

Gentlemen:

I represent C. J. Enterprises, a local vending company serving the City of Juneau. We support the proposed legislation and we truly endorse any reasonable effort to keep cigarettes out of the hands of minors. We also recognize that there are some real costs associated with this legislation. We hope that you will consider some efforts to mitigate problems created by this legislation.


Cigarette sales in Juneau most probably reflect cigarette sales in the rest of the State. The method of sale can be studied easily in Juneau as there is only one distributor and one full-service vending company. Cigarette sales are predominately made through food store outlets -- 49.1% (see attachment #1), and 47.9% through various other across-the-counter outlets. The remaining 3% are sold through vending machines. Using the above data we can quickly calculate figures representing purchases by minors. There are 25,369 people living in Juneau, and according to the latest Department of Education figures, 2,155 are between the ages of 12 and 19 (8%). If total vending sales are 3%, and 8% of the total population are in the vulnerable age group and are buying cigarettes at the same rate as adults, then the proposed legislation will stop the purchase of 2.4 packages per thousand sold.

Our company operates 55 cigarette vending machines in this market. Under the proposed legislation, we will lose half of our locations. From this loss of business we will have to lay off one employee. In addition, we will have to pull \$45,000 worth of equipment off location and try to sell them for a fraction of their value. Twenty of these machines will be taken from state-operated locations. When we signed our vending agreement with the State, we had reasonable expectations of operating those machines until 1990. This law will nullify that agreement. That portion of the vending agreement represents a \$35,000 investment for our company. We hope that you will provide some sort of compensation for companies like ours, as well as some sort of relief for the people who will be unemployed because of this legislation.

I believe that this legislation can work if you are willing to look at the costs associated with its implementation.

Yours truly,

C. J. ENTERPRISES


Donald Dapcévich
President

Encl.



P.O. BOX 1707 JUNEAU, ALASKA 99802

3-3-88

Mr. Don Dapcevich
C.J. Enterprises
917 Glacier Ave
Juneau, Alaska 99801

Dear Don,

I have researched the figures that you asked for. As you know, we supply virtually all the cigarettes sold in the Juneau area. The breakout by category is as follows:

5 major food stores	49.1%
All other accounts **	47.9%
Vending	3.0%

It is apparent that vending is a very small factor in the total distribution of cigarette products. If there needs to be any substantiation of these numbers, I can be contacted at 586-3945.

Please let me know if I can be of further help on this issue.

Sincerely,

Thomas J. Satre
President
Northern Sales Co. of Ak. Inc.

** Includes shipments to outlying communities



Alaska State Legislature

SENATE

Office of the President

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3755

MEMORANDUM

April 21, 1988

TO: Representative John Sund, Chairman
House Judiciary Committee

FROM: Senator Jan Faiks
President of the Senate

SUBJECT: HCS CSSB 339 (HESS) "An Act relating to tobacco products."

Senate Bill 339 has been referred to the House Judiciary Committee for consideration. This bill proposes changes to the laws regulating the sale of tobacco products to minors.

Under current law, a person 19 years of age or older commits a violation if the person sells or gives cigars, cigarettes or tobacco to a person under 16 years of age.

There are several problems with current law. First, it only covers cigars, cigarettes and tobacco. It does not clearly prohibit adults from providing tobacco products such as snuff or certain other types of smokeless tobacco to underage individuals. As you know, these products are increasingly popular with our youth, and they pose clear health risks, such as cancer of the mouth, tongue and throat, as well as gum disease.

Second, while current law prohibits adults from providing tobacco to underage persons, it allows vending machines to dispense tobacco products. The predictable result of this is that most teenagers who smoke cigarettes obtain them from vending machines.

Third, current law allows the sale of tobacco to minors 16, 17 and 18 years of age. The problem with this is that fully 90% of all adults who smoke began smoking before the age of 19. If a person can make it to age 19 without acquiring the smoking habit, probably he or she never will.

Fourth, while current law prohibits adults from providing tobacco to underage persons, it does not prohibit minors from purchasing tobacco. Minors know that they can use vending machines and deceive store clerks about their age with impunity, since there is no penalty if they are

caught.

HCS CSSB 339 (HESS) proposes to correct this situation.

Section 1. Provides that the purpose of section 4 is to exclude the violation of proposed AS 11.76.105 from the juvenile jurisdiction of the superior court.

Section 2. Repeals AS 11.76.100, and reenacts it as follows:

AS 11.76.100(a)(1): A person 19 years of age or older commits the offense of selling tobacco to a minor if the person knowingly sells, exchanges or gives a cigarette, a cigar, tobacco or a product containing tobacco to a person under 19 years of age.

AS 11.76.100(a)(2): A person commits the offense of selling tobacco to a minor if the person maintains a vending machine that dispenses cigarettes, cigars, tobacco or tobacco products and that is accessible to persons under the age of 19.

AS 11.76.100(b)(1): A person who maintains a vending machine is not in violation of this statute if the machine is in a location that is generally supervised by a person who maintains the machine, during the hours the machine is accessible. As an example, a vending machine in the lobby of a hotel within sight of the desk clerk, or a vending machine in the entrance of a restaurant within sight of the cashier, would be lawful. However, a completely unsupervised machine, such as the one in the Capitol Building, would be prohibited.

AS 11.76.100(b)(2): A person who maintains a vending machine is not in violation of this statute if the machine is located in a bar.

AS 11.76.100(b)(3): A person who maintains a vending machine is not in violation of this statute if the machine is located in a place where a person under the age of 19 is not allowed entry by policy of the owner of the premises unless accompanied by a person 19 years of age or older. This will allow canneries and other businesses to place vending machines in smoking rooms which are off limits to underage employees.

AS 11.76.100(c): A person "maintains" a vending machine if the person owns the machine, or owns or controls the premises in which the machine is located.

AS 11.76.100(d): Selling or giving tobacco to a minor is a violation.

Section 3. Adds a new section to AS 11.76 as follows:

AS 11.76.105: A person under 19 years of age commits a violation if the person purchases cigarettes, cigars, tobacco or a product containing tobacco.

Section 4. Amends AS 47.10.100(b) to provide that the purchaser of tobacco who is under 19 years of age may be charged, prosecuted and

sentenced in the district court in the same manner as an adult. This is the way violations of traffic laws are treated, and is necessary since the juvenile jurisdiction does not allow the imposition of fines.

As with any drug, there are hard-core users and marginal users of tobacco. Easy access to tobacco increases use among young people, many of whom are marginal users. Any barriers we can erect to easy access will strip off a layer of these marginal users. By raising the age of persons to whom stores can sell tobacco, and by eliminating the completely unsupervised vending machine, this bill will make it more difficult for minors to obtain tobacco, and will thus ensure that many marginal users will give up smoking, or will never start.

Please feel free to contact my office if you have any comments or questions.

Thank you.

POSITION PAPER

CS FOR SB NO. 339 (Jud.) am

For an Act entitled: "An Act relating to tobacco products."

This bill would expand the acts which constitute the offense of selling or giving tobacco to a minor.

Current law prohibits the knowing sale, exchange, or giving of cigars, cigarettes, or tobacco to a person under 16 years of age by a person 19 years of age or older. CSSB 339 would expand the prohibited acts to include maintaining a vending machine that dispenses tobacco products if the machine is accessible to persons under age 19.

CSSB 339 would also eliminate age distinctions in current law making the sale, exchange, or giving of tobacco to a person under 19 years of age by a person of any age illegal. In doing this the bill seems to depart from the apparent intent of prohibiting adults from supplying young persons with tobacco. It also presents the possibility of a very young person being charged with a violation for giving tobacco products to an older person. For example a 12 year old could be charged with a violation for giving tobacco to an 18 year old. The bill would also prohibit the purchase of a tobacco product by a person under age 19.

Acts prohibited by CSSB 339 would be noncriminal offenses punishable only by a fine. A person charged with these offenses would not have a right to a jury trial or counsel provided at public expense. This is problematic in the case of juveniles because violations of laws by minors come under the jurisdiction of the superior court as a children's delinquency proceeding unless specifically excluded from children's court jurisdiction. There is no provision for imposing fines as a result of such proceedings and minors have the right to jury trials and to appointed counsel in these proceedings. Non-felony traffic, fish and game, or parks and recreation violations are, however, specifically excluded from children's court jurisdiction and fines are regularly imposed on minor's in such cases.

Department Position

The Department supports the intent of SB 339. Eliminating the access to tobacco by young persons reduces the likelihood that they will become users of tobacco as adults and reduces the myriad health risks associated with tobacco use. However, the Department cannot support this bill in its present form.

The Department believes that changes in the bill are necessary to clearly maintain the intended prohibition against adults supplying tobacco to young persons.

1 Definition of a violation in AS 11.81.900

Department Position (Continued)

Section 1 should be amended at page 1 line 10 to indicate that the offense of selling or giving tobacco to a minor can be committed only by a person 19 years of age or older. This can be accomplished by inserting a comma after person and inserting the phrase "being 19 years of age or older," before the word commits. This sentence would then read, in pertinent part:

"A person, being 19 years of age or older, commits the offense of selling or giving tobacco to a minor if the person..."

The Department opposes Section 2 of the bill which makes the purchase of cigarettes by persons under age 19 a violation. Although the Department recognizes the health hazards associated with tobacco use by minors, we believe that the threat to the public from this activity is not sufficient to justify legal intervention into an area which can be best addressed within the family. Tobacco purchase and use by youth is most effectively controlled at the family level through education and discipline.

If Section 2 is not deleted from the bill as recommended or if Section 1 is not amended to eliminate the potential for a minor to be cited for selling or giving tobacco to another minor, an additional section must be included in order to implement the legislative intent of imposing fines on minors who violate those provisions. Because children's proceedings do not provide for the imposition of fines it will be necessary to exclude the defined offenses from juvenile jurisdiction of the superior court. This would allow the citation of minors and the imposition of fines within the district court as occurs with misdemeanor traffic offenses. This could be accomplished by amending AS 47.10.010(b) as indicated in the attached language.

RECOMMENDED: *Yvonne M. Chase*
Yvonne M. Chase, Director
Division of Family
and Youth Services

DATE: 4/14/88

APPROVED: *Myra M. Munson*
Myra M. Munson, Commissioner
Department of Health
and Social Services

DATE: 4/15/88

SUGGESTED AMENDMENT TO CS SB 339 (Jud) am

Sec. 3. AS 47.10.010(b) is amended to read:

(b) When a minor is accused of violating a traffic statute or regulation, a traffic ordinance or regulation of an incorporated municipality, a fish and game statute or regulation under AS 16 [OR] , a parks and recreational facilities violation under AS 41.21, or AS 11.76.105, excepting a statute, the violation of which is a felony, the procedure prescribed in AS 47.10.020 -- AS 47.10.090 may not be followed, except that a parent, guardian, or legal custodian shall be present at all proceedings. The minor accused of traffic offense, a fish and game statute or regulation violation under AS 16 [OR] , a parks and recreational facilities violation under AS 41.21, or AS 11.76.105 shall be charged, prosecuted, and sentenced in the district court in the same manner as an adult.

FISCAL NOTE

REQUEST:

Revision Date: 3/28/88
Title: An Act relating to tobacco products.
Sponsor: Falks, Binkley
Requestor: _____

Agency Affected: Health & Social Services
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *Russell Webb for*
Yvonne M. Chase, ACSW, Director
Division: Family & Youth Services

Phone: 465-3170
Date: 4-14-88

Approved by Commissioner: *Myra M. Munson*
Myra M. Munson
Agency: Health & Social Services

Date: 4-15-88

Distribution (by preparer):

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

Elementary Education

Lay Public Ignorant of Drug Prevention Success

by Mark S. Gold, M.D.



Everyone has an opinion about drug prevention. Some experts and journalists declare that prevention is impossible. Parents, acting on this theory, "look the other way" when their children "borrow" their liquor or return home smelling of alcohol or obviously having smoked marijuana.

Other parents, believing drug use to be inevitable and part of "normal" adolescence, try to procure the best, "clean" marijuana for their children, or they use drugs with their children. When drug use is considered by some experts to be normal, primary prevention becomes all the more difficult.

Primary prevention means prevention of drug use. To understand how primary prevention can work, we should study how it is already working. Lost in the shuffle of drug abuse statistics is the fact that 49 percent of United States high school seniors do not use, and have never used, marijuana. Eighty-three percent of high school seniors have never tried cocaine, even once, and 99 percent have never tried heroin!

Illicit drugs break down primary prevention efforts by pretending to be normative, but the use of them by the nation's young people is a real problem; it is neither normative nor normal.

A simple equation for conceptualization of prevention is: drug use/abuse/addiction = exposure X predisposition. Predisposition is the vulnerability to use and/or develop abnormal patterns of use when exposed to a particular drug. Predisposition is comprised of complex psychosocial and biological factors.

The vulnerability to develop alcoholism and abnormal use is inherited. The genetic predisposition is a biological (physical) vulnerability that is transmitted from parents to offspring. Evidence is growing

that the genetic predisposition for alcohol extends to other drugs such as cocaine and marijuana.

The majority of alcoholics under the age of 30 are addicted to at least one other drug, most often marijuana and followed by cocaine. Cigarettes also may be included in this vulnerability since nicotine is a drug and cigarettes are commonly used by alcohol/drug users. The biological vulnerability most likely resides in the brain, and drug

To prevent marijuana
use we must
prevent cigarette
and alcohol use.

(and/or alcohol) addiction is in part a neurological disease.

To prevent marijuana use we must prevent cigarette and alcohol use. To prevent cocaine use we must prevent cigarette, alcohol, and marijuana use. With 91 percent of high school seniors having tried alcohol—85 percent using in the past year, 65 percent using in the past month, and 4.8 percent using every day—it is obvious where secondary prevention efforts should be focused.

Prevention efforts have been somewhat successful in reducing cigarette smoking among adults and new adolescent smokers. From a peak in 1976 of 76 percent of high school seniors having ever tried a cigarette in their lifetime, currently 68 percent have ever tried smoking. Daily cigarette smoking among high school seniors has dropped during this decade from 28.8 percent to 18.7 percent.

Secondary prevention requires early identification and interven-

tion. Early identification can be made by a pediatrician at an annual physical, or it can be made during a sports physical by the use of urinalysis.

Education with outpatient recovery programs can quickly help a drug-using adolescent and co-dependents when the diagnosis is made at an early phase of the illness.

Prevention programs in the schools should begin early in elementary schools with discussions of the body, the difference between medicine and drugs, and the proper way to fill, use, and discard prescription drugs. Shortly thereafter, the health effects of cigarette smoking and alcohol consumption should be stressed; this should include a discussion of the reasons why people start drinking or smoking. Children should be encouraged to help their parents stop smoking.

Educational prevention is the most effective when focusing elementary education first on cigarettes, then alcohol, then marijuana. Antidrug messages should be reinforced in biology and other subjects. The drug curricula should continue through senior high school, with an increase in experiential learning and exposure to real-life victims of addiction.

Children at risk (e.g. children with a family history of addiction, etc.) should be identified and receive additional individual and family prevention information. While drug prevention is not as precise a science as we would like, it is a lot more effective than professionals or the lay public recognize.

Mark S. Gold, M.D., is the author of the new "Facts About Drugs and Alcohol," Bantam Books, 1987.



SMOKING AND HEALTH

A NATIONAL STATUS REPORT

A Report to Congress

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

Centers for Disease Control

Center for Health Promotion and Education

Office on Smoking and Health

Rockville, Maryland 20857

HHS/PHS/CDC - 87-8396

the program. Connecticut law dictates that universities that train teachers must provide instruction on the effects of nicotine and tobacco use on health, character, citizenship, and personality development and the best methods for instructing students on these topics. Connecticut will not grant a certificate to teach or supervise in any public school to any person who has not passed an examination on the effects of nicotine and tobacco use.

California and Florida have no specific statutory provisions for mandatory instruction on the effects of tobacco use in elementary and secondary schools. Both states, however, require that upon adoption of instructional materials for use in the schools, school boards shall include only instructional materials that portray accurately the physical effects of tobacco use.

Florida's Cancer Control and Research Act provides that proven causes of cancer, including smoking, should be publicized and made the subject of educational programs for the prevention of cancer. These programs will be made available to all citizens of the state.

The Iowa and Louisiana legislatures have taken a hard line on the use of tobacco products by students in public schools. In Iowa, the school board may suspend or expel any student who violates the rule prohibiting the use of tobacco. In Louisiana, school principals are authorized to suspend any student who uses tobacco in school buildings, on school grounds, or in school buses.

Regulation of Sale to and Use of Tobacco Products by Minors

The sale or distribution of cigarettes or tobacco products to minors is regulated by 39 jurisdictions. Missouri and South Dakota impose no restrictions at the state level, but permit cities, towns, and municipalities to enact ordinances prohibiting the sale to or use of cigarettes by minors or both. The only states that do not regulate the sale or distribution of tobacco products to minors are Colorado, Georgia, Kentucky, Louisiana, Montana, New Hampshire, New Mexico, Virginia, Wisconsin, and Wyoming.

Indiana, Kansas, New York, and Oregon prohibit only the sale of cigarettes to minors. The other state statutes have much broader prohibitive language and randomly outlaw the sale or furnishing (or both) of cigars, cigarettes, snuff, chewing tobacco, smoking material, and tobacco in any form to minors. (See Table 5.)

Twenty-one states also prohibit the sale or furnishing of cigarette wrapping papers and other smoking paraphernalia to minors.

The majority of states prohibiting the sale of cigarettes or other tobacco products to minors define a minor as anyone under the age of 18 years. Ten jurisdictions define a minor as anyone under the age of 16 years, and four define a minor as 17 years of age or younger. At the two extremes are Hawaii, which prohibits the sale of tobacco products to anyone under the age of 15 years, and Alabama and Utah, which prohibit such sales to anyone under the age of 19 years. (See Table 6.)

Table 5. Restrictions on Sale or Distribution of Cigarettes or Other Tobacco Products to Minors

State	TYPES OF DISTRIBUTION				
	Sell	Give	Furnish	Deliver	Provide
Alabama	X	X			
Alaska	X	X			
Arizona	X	X	X		
Arkansas	X	X			
California	X	X	X		
Connecticut	X	X		X	
Delaware	X	X	X		X
District of Columbia	X	X	X		
Florida	X	X	X	X	
Hawaii	X		X		
Idaho	X	X	X		
Illinois	X	X	X	X	
Indiana	X				X
Iowa	X	X	X		
Kansas	X				
Maine	X	X	X		
Maryland	X	X			
Massachusetts	X	X			X
Michigan	X	X	X		
Minnesota	X		X		
Mississippi	X	X		X	
Nebraska	X	X	X		
Nevada	X	X			
New Jersey	X	X	X		
New York	X				
North Carolina	X	X	X		
North Dakota	X		X		
Ohio	X	X	X		X
Oklahoma	X	X	X		
Oregon	X				
Pennsylvania	X	X	X		
Rhode Island	X	X		X	
South Carolina	X	X	X		
Tennessee	X	X	X	X	X
Texas	X	X			
Utah	X	X	X		
Vermont	X	X			
Washington	X	X			
West Virginia	X	X	X		
TOTAL	39	32	23	6	5

(Continued)

Table 5. (Continued)
Restrictions on Sale or Distribution of Cigarettes or Other Tobacco Products to Minors

PRODUCTS AFFECTED

State	Cigarettes	Cigars	Smoking Tobacco	Chewing Tobacco	Any Tobacco	Snuff	Smoking Herbs
Alabama	X			X			
Alaska	X	X			X		
Arizona	X	X					
Arkansas			X	X	X		
California	X				X		
Connecticut					X		
Delaware					X		
District of Columbia	X	X			X		
Florida					X		
Hawaii					X		
Idaho	X	X			X		
Illinois	X	X			X		X
Indiana					X		
Iowa	X				X		
Kansas	X						
Maine	X				X		
Maryland	X		X	X			
Massachusetts	X			X	X	X	
Michigan	X	X	X	X	X		
Minnesota					X		
Mississippi	X	X	X			X	
Nebraska	X				X		
Nevada	X				X		
New Jersey	X				X		
New York	X	X		X	X	X	
North Carolina	X				X		
North Dakota	X	X			X		X
Ohio	X				X		
Oklahoma	X						
Oregon		X			X		
Pennsylvania	X					X	
Rhode Island	X						
South Carolina	X				X		
Tennessee	X	X					X
Texas	X				X		
Utah	X	X			X		
Vermont		X			X	X	
Washington	X	X			X		
West Virginia	X	X			X		
TOTAL	30	15	4	6	29	3	5

IV. REGULATION OF SALE/USE OF TOBACCO PRODUCTS BY MINORS

	Age of Minor/ Less than () yrs.	Restrictions on Use/Possession of Cigarettes by Minors	Restrictions on Use/Possession of any Tobacco Products by Minors	Restrictions on Furnishing Cigarettes to To Minors	Restrictions on Furnishing any Tobacco Products To Minors	Restrictions on Furnishing Smoking Paraphernalia	Distributors/ Vendors Must Post Notice	Fine (F)/ Jail (J)/ Both (B) for Violation	Other
AL	19			X	X	X		B	
AK	16			X	X			B	
AZ	18	X	X	X	X	X		F	
AR	18				X	X		B	
CA	18			X	X	X		B	
CO									
CT	16				X			F	
DE	17				X			B	
DC	16			X	X			B	
FL	18			X	X	X		B	X ¹
GA									
HI	15				X			F	
ID	18	X	X	X	X	X		B	X ²
IL	18	X	X	X	X	X	X	B	
IN	16				X		X	F	
IA	18			X	X	X		B	X ³
KS	18	X		X				B	
KY									
LA									
ME	18			X	X			F	
MD	16			X	X			B	
MA	16			X	X		X	F	
MI	17	X		X	X			B	X ⁴
MN	18	X	X	X	X	X	X	B	
MS	18			X	X			B	
MO	18								X ⁵

¹In Florida, sheriffs, deputies, and police officers may summon any minor who may have or have had in his possession any cigarettes or cigarette materials and compel him to testify in court as to where and from whom he obtained such cigarettes or cigarette materials. Fla. Stat. Ann. Section 859.07 (West 1976).

²Idaho law provides that any person who maintains in his place of business a tobacco vending machine accessible to minors under 18 is guilty of a misdemeanor. Idaho Code Section 18-1503 (1977).

³Iowa law provides that any minor under 18 who is in the possession of a cigarette or cigarette papers in a place other than his parents' home shall be required at the request of any peace officer, juvenile court officer, truant officer or teacher to give information as to where the articles were obtained. Failure to provide such information constitutes a misdemeanor. Iowa Code Ann. Sections 98.4, 98.5 (West 1984).

⁴In Michigan, anyone who knowingly harbors a person under 18 or grants to him the privilege of gathering upon property held by him for the purpose of indulging in the use of cigarettes in any form is punishable by fine or imprisonment. This provision is not meant to interfere with the rights of parents or legal guardians in the rearing or management of their minor children within bounds of their own private premises. Mich. Comp. Laws Ann. Section 72.643 (Supp. 1984-1985).

⁵Missouri law provides that any city, town or village may by ordinance or act prohibit the sale of cigarettes or cigarette wrappers to minors. Mo. Ann. Stat. Section 71.740 (Vernon 1952).

continued on next page

IV. REGULATION OF SALE/USE OF TOBACCO PRODUCTS BY MINORS *continued*

	Age of Minor/ () yrs.	Restrictions on Use/Possession of Cigarettes by Minors	Restrictions on Use/Possession of any Tobacco Products by Minors	Restrictions on Furnishing Cigarettes to To Minors	Restrictions on Furnishing any Tobacco Products To Minors	Restrictions on Furnishing Smoking Paraphernalia	Distributors/ Vendors Must Post Notice	Fine (F)/ Jail (J)/ Both (B) for Violation	Other
MT									
NE	18	X	X	X	X	X		B	X ⁶
NV	18			X	X	X		F	
NH									
NJ	16			X	X	X		F	
NM									
NY	18			X	X		X	B	
NC	17			X	X			B	
ND	18	X	X	X	X	X		B	
OH	18			X	X		X	B	
OK	18			X	X	X		B	X ⁷
OR	18				X	X		B	
PA	16			X	X	X		B	
RI	16		X	X				F	
SC	18			X	X	X		B	
SD	18								X ⁸
TN	18	X	X	X	X	X	X	B	
TX	16			X	X			F	
UT	19	X	X	X	X	X	X	B	X ⁹
VT	17			X	X		X	F	
VA									
WA	18			X	X	X		B	
WV	18	X		X	X	X		F	X ¹⁰
WI									
WY									

⁶Nebraska law provides that any minor charged with violation of the law prohibiting smoking of cigarettes or cigars or use of tobacco in any form by minors may be free from prosecution when he furnishes evidence for the conviction of the person selling or giving him the cigarettes, cigars or tobacco. Neb. Rev. Stat. Section 28-1418 (1981).

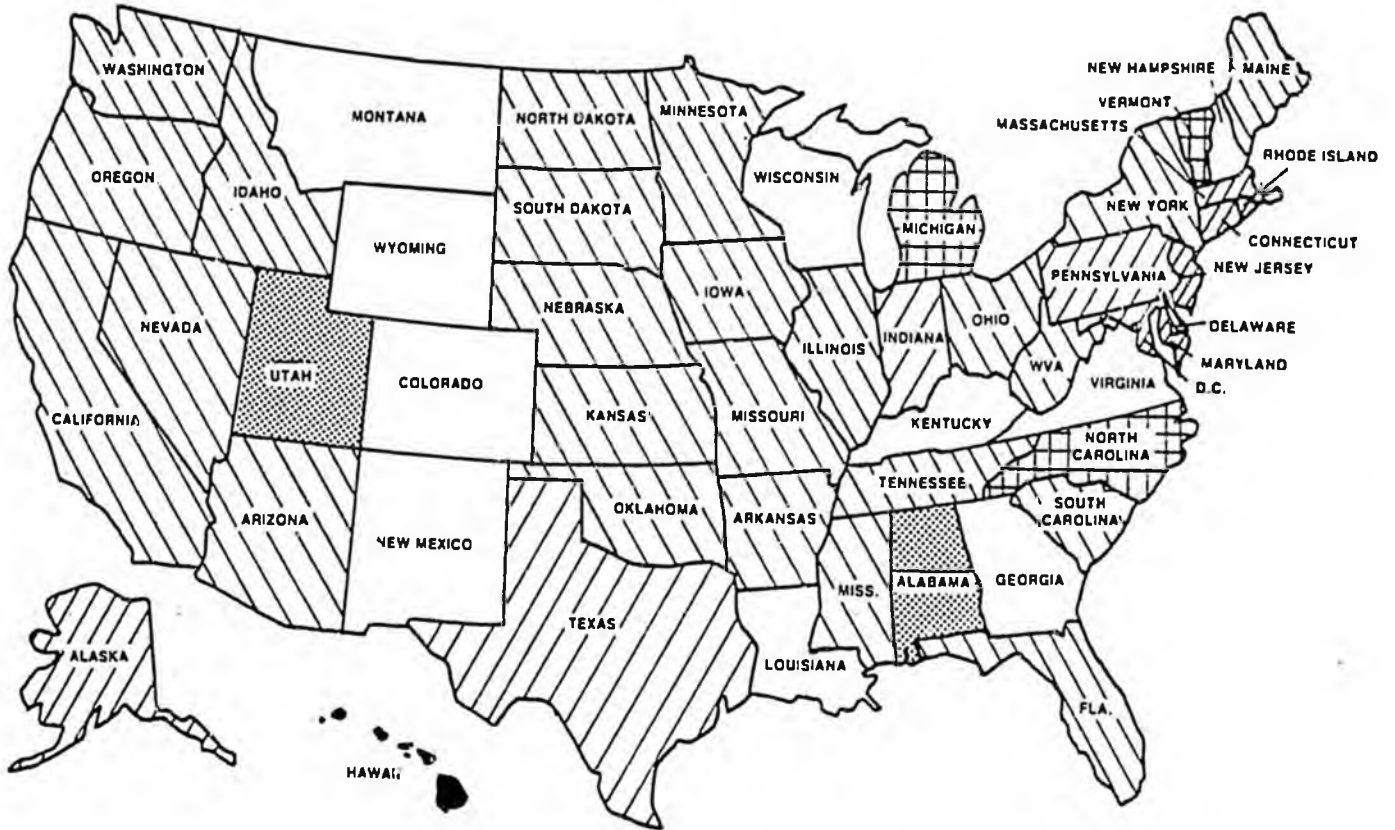
⁷In Oklahoma, any minor who is in possession of cigarettes or cigarette papers and who refuses to divulge where and from whom such cigarettes or cigarette papers were obtained when asked by any police officer, constable, juvenile court officer, truant officer or teacher, is guilty of a misdemeanor. Okla. Stat. Ann. Title 21, Section 1242 (West 1983).

⁸South Dakota law provides that every municipality shall have the power to prohibit the sale or gift of cigarettes to and use thereof by minors. S.D. Codified Laws Ann. Section 9-29-8 (1981).

⁹In Utah, it is a misdemeanor for the proprietor of any place of business to knowingly permit persons under 19 to frequent such place of business while they are using tobacco. Utah Ann. Code Section 76-10-103 (1978). In addition, any person who maintains in his place of business a tobacco vending machine accessible to persons under 19 is guilty of a misdemeanor. Utah Code Ann. Section 59-18-18 (1974).

¹⁰West Virginia law provides that any minor under 18 who violates the law prohibiting smoking or possession of any cigarette or cigarette paper by minors shall be punishable by fine. However, if such person discloses the name or the person, firm or corporation from whom he obtained the cigarettes or cigarette papers, he shall be immune from further prosecution or punishment. W. Va. Code Section 16-9-5 (1985).

STATES ACCORDING TO AGE OF MINORS



AGE OF MINORS

	None
	15
	16
	17
	18
	19

Table 6. Age of Minors

Alabama	19	Montana	*
Alaska	16	Nebraska	18
Arizona	18	Nevada	18
Arkansas	18	New Hampshire	*
California	18	New Jersey	16
Colorado	*	New Mexico	*
Connecticut	16	New York	18
Delaware	17	North Carolina	17
District of Columbia	16	North Dakota	18
Florida	18	Ohio	18
Georgia	*	Oklahoma	18
Hawaii	15	Oregon	18
Idaho	18	Pennsylvania	16
Illinois	18	Rhode Island	16
Indiana	16	South Carolina	18
Iowa	18	South Dakota	18
Kansas	18	Tennessee	18
Kentucky	*	Texas	16
Louisiana	*	Utah	19
Maine	18	Vermont	17
Maryland	16	Virginia	*
Massachusetts	16	Washington	18
Michigan	17	West Virginia	18
Minnesota	18	Wisconsin	*
Mississippi	18	Wyoming	*
Missouri	18		

*Age of minors is not specified for cigarette or tobacco use.

The penalties for violation of the laws relating to selling or furnishing tobacco products to minors vary from state to state. In 12 states, such offenses are punishable only by a fine. In the remaining jurisdictions, such offenses are punishable by fine, imprisonment or both. The heaviest penalties are imposed by Kansas: anyone convicted of the offense of selling cigarettes to a person under 18 years in Kansas is subject to a fine of not more than \$1000 or imprisonment for not more than one year (or both).

In addition to prohibiting the sale or furnishing of cigarettes or other tobacco products to minors, 12 states prohibit the use or possession (or both) of such products by minors. Minors found guilty of using or possessing tobacco are punishable by fine in Idaho, Illinois, Rhode Island, and West Virginia, and by fine or imprisonment (or both) in Kansas, Michigan, and Tennessee. Louisiana does not specifically prohibit the use of tobacco by minors, but does authorize public school principals to suspend any student who uses tobacco in school buildings, on school property, or in school buses. In the remaining five states, the offense is classified as either a misdemeanor or petty offense with no specific penalty described in the statute.

Neither Iowa nor Oklahoma make possession of cigarettes by a minor a punishable offense. However, any minor under 18 years who has cigarettes or cigarette papers in his possession and who refuses to give information at the request of any peace officer, juvenile court officer, truant officer, or teacher as to

where the articles were obtained is guilty of a misdemeanor. Florida does not make possession of cigarettes or cigarette materials by a minor a punishable offense. Nonetheless, minors who have or have had cigarettes in their possession may be summoned by sheriffs, deputies, and police officers and compelled to testify in court as to where and from whom they obtained such articles.

Minors charged with violation of the law prohibiting smoking or possession of cigarettes or other tobacco products in Nebraska and West Virginia may obtain immunity from prosecution or punishment upon disclosure of the identity of the person or firm from whom they obtained the cigarettes or tobacco products.

Nine states require dealers, distributors, or vendors of cigarettes or other tobacco products to post notice at the point of sale that the sale to or purchase of such products by minors is prohibited by law. Idaho and Utah go further by forbidding any person to maintain a tobacco vending machine accessible to minors. Violation of this restriction is a misdemeanor.

Utah and Michigan also make liable any persons who permit minors to smoke on their property. In Utah, it is a misdemeanor for the proprietor of any place of business to knowingly permit minors to use tobacco on his or her premises. In Michigan, anyone who knowingly harbors or grants a minor the privilege of gathering on his or her property for the purpose of indulging in the use of cigarettes is subject to punishment by fine or imprisonment.

Public Safety and Occupational Regulations

In an effort to protect the public from negligent activity that could result in fires, explosions, or the contamination of food, several states have enacted legislation relating to smoking and the discarding of smoking materials under potentially unsafe and unsanitary conditions. The most common legislation of this nature prohibits the discarding of cigarettes or other smoking materials in or near forest areas. Sixteen states outlaw such activity. New Jersey, Oregon, and Virginia have compensatory provisions that make any person who negligently causes a forest fire liable for the costs of confining, extinguishing, or suppressing the fire. A smaller number of jurisdictions also seek to control behavior that may cause a fire on public or private property by prohibiting persons from discarding lighted cigarettes, cigars, matches, or other materials from moving vehicles.

Seventeen states outlaw smoking in the vicinity of flammable materials such as fire works, explosives, and petroleum products. Restrictions on smoking in or near the surface structure of mines and upon taking smoking materials, such as matches, pipes, cigars or cigarettes, into underground mines are imposed by 14 states. Colorado, Illinois, Kentucky, and New Mexico permit the person in charge of an underground mine to search anyone entering the mine to prevent him or her from taking, carrying, or using any smoking materials therein.

Only nine states prohibit persons from indiscriminately disposing cigarettes or other smoking materials on public or private property. These laws are designed to control potential fire hazards and litter.



Alaska Dental Society

3400 Spenard Road, Suite 10
Anchorage, Alaska 99503
(907) 277-4675

APR 26 1988

April 21, 1988

Chairman: John Sund
Vice Chairman Fran Ulmer
House Judiciary Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Sund and Representative Ulmer:

The Alaska Dental Society would like to encourage the passage through your committee of CSSB 339, "An Act relating to tobacco products." Earlier in the session, our group wrote of its general support to all House members.

This bill and another related bill, HB 260, have been strongly supported by the Healthy Alaska Coalition. Our group is a member of this coalition and the subject matter of these bills is certainly within the purview of the dental profession. We understand (from HAC) that CSSB 339 does have a good chance of passage, but HB 260 is temporarily stuck in the Senate State Affairs Committee. I have written of our support to Senator Mitch Abood.

Thank you very much for helping CSSB 339 along - please feel free to contact me if you have any questions needing dentist input.

Sincerely,

William A. Guy, DDS

William A. Guy, D.D.S.

President

Alaska Dental Society

907-486-4094

April 19, 1988

The Honorable Niilo Koponen and Johnny Ellis
Co-Chairmen
HESS Committee
House of Representatives
Alaska State Legislature
Juneau, Alaska

Gentlemen:

I represent C. J. Enterprises, a local vending company serving the City of Juneau. We support the proposed legislation and we truly endorse any reasonable effort to keep cigarettes out of the hands of minors. We also recognize that there are some real costs associated with this legislation. We hope that you will consider some efforts to mitigate problems created by this legislation.


Cigarette sales in Juneau most probably reflect cigarette sales in the rest of the State. The method of sale can be studied easily in Juneau as there is only one distributor and one full-service vending company. Cigarette sales are predominately made through food store outlets -- 49.1% (see attachment #1), and 47.9% through various other across-the-counter outlets. The remaining 3% are sold through vending machines. Using the above data we can quickly calculate figures representing purchases by minors. There are 25,369 people living in Juneau, and according to the latest Department of Education figures, 2,155 are between the ages of 12 and 19 (8%). If total vending sales are 3%, and 8% of the total population are in the vulnerable age group and are buying cigarettes at the same rate as adults, then the proposed legislation will stop the purchase of 2.4 packages per thousand sold.

Our company operates 55 cigarette vending machines in this market. Under the proposed legislation, we will lose half of our locations. From this loss of business we will have to lay off one employee. In addition, we will have to pull \$45,000 worth of equipment off location and try to sell them for a fraction of their value. Twenty of these machines will be taken from state-operated locations. When we signed our vending agreement with the State, we had reasonable expectations of operating those machines until 1990. This law will nullify that agreement. That portion of the vending agreement represents a \$35,000 investment for our company. We hope that you will provide some sort of compensation for companies like ours, as well as some sort of relief for the people who will be unemployed because of this legislation.

I believe that this legislation can work if you are willing to look at the costs associated with its implementation.

Yours truly,

C. J. ENTERPRISES


Donald Dapcovich
President

Encl.



P.O. BOX 1707 JUNEAU, ALASKA 99802

3-3-88

Mr. Don Dapceovich
C.J. Enterprises
917 Glacier Ave
Juneau, Alaska 99801

Dear Don,

I have researched the figures that you asked for. As you know, we supply virtually all the cigarettes sold in the Juneau area. The breakout by category is as follows:

5 major food stores	49.1%
All other accounts **	47.9%
Vending	3.0%

It is apparent that vending is a very small factor in the total distribution of cigarette products. If there needs to be any substantiation of these numbers, I can be contacted at 586-3945.

Please let me know if I can be of further help on this issue.

Sincerely,

Thomas J. Satre
President
Northern Sales Co. of Ak. Inc.

** Includes shipments to outlying communities

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to tobacco products.
Sponsor: Falks
Requestor: _____

Agency Affected: Health & Social Services
BRU: State Health Services
Components: Public Health Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The enactment of CSSB 339 (Jud.) would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, Director Phone: 465-3090
Division: Public Health Date: 3-16-88

Approved by Commissioner: Marye K. Trueman Date: 3-16-88
Agency: Department of Health & Social Services

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/28/88

FURTHER REFERRALS:

Judiciary

DATE: 4-20-88

The Health, Education and Social Services Committee has considered CSSB 339 (Jud) am

"An Act relating to tobacco products."

RECOMMENDS:

- replace with CSSB 339 the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 3/16/88
- zero with analysis

SIGNING DO PASS:

J. Ellis

ROBERT E. REED

James Hendrix

Alvin Koppelman

Bill Hurd

SIGNING OTHER RECOMMENDATIONS:

Max F. Hurnberg Do pass with amendment striking sections 1, 3 & 4 of House HESS Committee Substitute.

Alvin Koppelman
co chairman's signature

J. Ellis