

H B

260

Kitty Lew
4831 Sportsman Drive
Anchorage, Alaska 99502

February 22, 1988.

Senator Mitch Abood
Chairman, State Affairs Committee
Juneau, Alaska 99811

HB 260
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MAR 1 1988

Dear Senator Abood,

During my literature research as a volunteer for the HEALTHY ALASKA COALITION, I was astounded in the damaging effects of smokeless tobacco use on the teenagers in our country. The fact that there are a lot of educational programmes in the school and community sectors on cigarette, alcohol, drug and substance abuses, but insignificantly few on smokeless tobacco usages.

As a concerned citizen in your legislative district and a mother of three growing children from age 5 to 14, I strongly urge you to act on HB260 and schedule a hearing as soon as possible.

Our children are helpless when pitted against the millions spent by the tobacco companies for the promotion of smokeless tobacco. They need our legislators to give them a better odds. Enclosed, I have a little fact sheet that may be of interest to you.

A young man, Marvin Sean Marsee, died in 1984 at the age of 19, in Oklahoma when oral cancer which was caused by prolonged snuff use, had destroyed his tongue, throat and jaw. This led to a new law in Oklahoma forbidding sales to minors and also an excise tax on all forms of smokeless tobacco. Please let us not wait till another similar tragic event before we mobilize to act. Please help us to show that the pioneering Alaskans also cares for the health of our teenagers.

Thank you for your attention!

Sincerely,

Kitty B. Lew

FACTS ON SMOKELESS TOBACCO

1. Today, smokeless tobacco is produced in 2 general forms, chewing tobacco and snuff. Loose-leaf chewing tobacco is made from air-cured, cigar-type leaves from tobacco that is grown mainly in PENNSYLVANIA & WISCONSIN. Dry snuff is made primarily from fire-cured dark tobacco that is grown mainly in KENTUCKY & TENNESSEE. (The Health Consequences of Using Smokeless Tobacco.- A Report of the Advisory committee to the Surgeon General, 1986)
2. Between 1970 and 1985, the production of chewing tobacco increased 36% from 63.9 million to 86.9 million pounds; snuff increased 56% from 31.3 to 48.7 million pounds. (U. S. D. A. Records)
3. Data from national survey (American Cancer Society) indicated that over 12 million persons used some form of smokeless tobacco in 1985 and that approximately 6 million used smokeless tobacco weekly or more often. Use is particular among young males. 3 million users are under the age 21.
4. State and local studies corroborate the national survey. In several parts of the country, as many as 25 to 35 percent of adolescent males have indicated current use of smokeless tobacco. (Report of the Advisory committee to Surgeon General, 1986).
5. Evidence link the use of smokeless tobacco with oral cancer, oral leukoplakis (cancer of cheek, gum, & oral cavities), gum disease, tooth loss, tooth abrasion, stained teeth & addiction to nicotine. Nicotine exposure also contribute to the increase in risks in heart disease, high blood pressure, peptic ulcer disease and fetal morbidity and mortality.
6. Factors that contribute to the increase of smokeless tobacco use are :
 - a) Increase restriction and prohibition of cigarette smoking in industries and schools.
 - b) Enhanced image of smokeless tobacco users through aggressive advertising, e.g. sports personalities. Among teenage boys, use of smokeless tobacco has become a status symbol.
 - c) Lower price compared to cigarettes.
 - d) Mistaken perception that smokeless tobacco products are less harmful than cigarettes.(Longitudinal patterns of cigarette smoking and smokeless tobacco use in youth, Feb. 86; Changing trends of tobacco use in a teenage population in Western Pennsylvania, Feb. 86)
7. Six month cessation rate among smokeless tobacco users (2.3%) is significantly lower to cessation rate of cigarette smokers (38%). (Intervention of tobacco chewing and smoking habits, AJPH June 86)
8. Use of smokeless tobacco have been consistently much lower for females than for males nationwide, (2 % of females in all ages in a 1985 NIH study). Among American Indian children, female and male usage rates are similar. In a 1986 survey in 8 rural regions of Alaska by the Indian Health Service, results indicated that 27.5% of all girls age 5 through 18 and 33.7% of all boys at the same age used smokeless tobacco products. Some started at the age of 5.
9. Similar studies with the Pacific Native Americans in both Washington and Oregon in 1986 showed similar results. (The New England Journal of Medicine, April 86, The International Journal of Addictions, Sept. 87.)
10. There are 27 States at present that levy excise taxes on smokeless tobacco products. Alaska is not yet one of them!!

FEB 29 1988

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2800 Aspen Dr.
Anchorage 99517

Jeff. Holly McMillan

Thank you

Go Sen. Abroad,
Please call hearing house
bill H-B 360 on regards to
smokeless tobacco.

2-22-88



HEALTH & LONGEVITY EDUCATORS

Carol

BOB WHEELER, M.P.H. 3605 Arctic Blvd., #2003, Anchorage, AK 99503 (907)344-8901

FEB 29 1988

Senator Mitch Abood
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

February 24, 1988

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(M)

Dear Senator Abood: *EXCISE TAX ON SALE OF TOBACCO PRODUCTS*

I am writing to strongly urge, convince, persuade and enjoin you to schedule a hearing for HR 260, the bill that was passed by the house last year. As you are well aware from the plethora of studies, research and articles on the effects of tobacco on people, the whole of society pays the costs for the increased incidence of disease, illness and deaths engendered by those people who use these products. It is only fitting then, that a "user fee" be added to the cost of each product--smokeless tobacco, pipe tobacco and cigars--and the revenue therefrom used wisely. By wisely I mean, spending this money not for the cure of tobacco-related illnesses, but for anti-tobacco education, advertising and promotion. In a word, health promotion aimed at tobacco users.

Regardless of your feelings on this matter, as an elected representative of the people, should you not at the least, schedule a hearing for this bill? Thank you for reading my letter and I look forward to your response.

For High Level Health,

Bob Wheeler

Bob Wheeler, M.P.H.



Alaska Council on Smoking or Health, Inc.

ALASKA COUNCIL ON SMOKING OR HEALTH
P.O. BOX 201028
ANCHORAGE, ALASKA 99520-1028
(907) 276-8889

Carol

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Alaska Heart Association
Alaska Lung Association
Alaska Native Health Board
Alaska Native Medical Center
Anchorage
Alaska Public Health Association
Alaska State Dental Society
Alaska State Parent-Teacher
Association (PTA)
Alaska Thoracic Society
Alaska Psychological Association
Aleutian-Pribilof Health Department
American Academy of Pediatrics,
Alaska Chapter
American Cancer Society,
Alaska Division
Anchorage Home Economics Association
Anchorage Medical Society
Humana Hospital, Alaska
Municipality of Anchorage, Department of
Health & Environmental Protection
Providence Hospital
Ruralcap
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Southcentral Health Planning & Development
State of Alaska, Department of
Health & Social Services

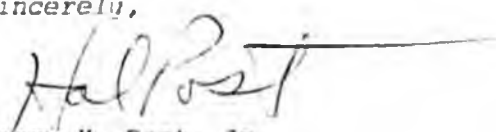
February 11, 1988

Senator Mitch Abood
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Abood,

Speaking for the members and member organizations of the Alaska Council on Smoking OR Health, and as a member of the Healthy Alaska Coalition, we request that you schedule a hearing **for HB 260** as soon as possible. We consider it extremely important that smokeless tobacco especially be taxed to discourage it's use by youth and that monies be provided to promote good health practices in Alaska.

Sincerely,


Harry H. Post, Jr.
President

HHP/bb

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FEB 16 1988



DEPARTMENT OF HEALTH & HUMAN SERVICES
PUBLIC HEALTH SERVICE
January 26, 1988

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ALASKA AREA NATIVE HEALTH SERVICE
BOX 107741
ANCHORAGE, ALASKA 99510

Refer to: A-DES (DPS)

Senator Mitch Abood
Chairman, State Affairs Committee
Alaska Senate
Pouch V
Juneau, Alaska 99811

RECEIVED
JAN 29 1988

Dear Senator Abood:

~~I am writing to encourage you to schedule public hearings on H.B. 260, "An Act Establishing a Tax (User Fee) on Certain Tobacco Products".~~

I conducted a state-wide survey of 4,965 Alaska youth in 1986 on their use of smokeless tobacco products. We found that 27.5% of girls who responded used these products while 33.7% of the boys responded positively.

A frightening result was that 16.9% of five years old girls and 9.8% of five year old boys use smokeless tobacco.

We are working to develop methods to encourage these children to stop the usage of smokeless tobacco. However, I see H.B. 260 as a strong deterrent to their use by raising the cost of these products.

I strongly encourage you to schedule hearings on H.B. 260 as soon as possible.

Thank you.

Sincerely,

Candace M. Schlife
Candace M. Schlife
Dental Prevention Specialist
Alaska Area Native Health Services



DEPARTMENT OF HEALTH & HUMAN SERVICES
PUBLIC HEALTH SERVICE
January 26, 1988

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ALASKA AREA NATIVE HEALTH SERVICE
BOX 107741
ANCHORAGE, ALASKA 99510

JAN 29 1988

Refer to: A-DES

Senator Mitch Abood
Chairman, State Affairs Committee
Alaska Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Abood:

I am writing to encourage you to schedule public hearings on H.B. 260, "An Act Establishing a Tax (User Fee) on Certain Tobacco Products", as soon as possible.

As the dental consultant to Regional Health Corporation managed dental programs throughout Alaska, I am very concerned with the high rate of use of smokeless tobacco products by Alaska Native youth. We are seeing children as young as five years old using smokeless tobacco on a regular basis. The potential result of a lifetime use of these smokeless tobacco products is a tremendous increase in the prevalence of cancers in these children at an older age.

I feel that increasing the costs of these smokeless tobacco products is one of several ways to deter their use. We are also very involved in encouraging these children to stop the use of the products through educational and other preventive mechanisms.

Again, I encourage you to hold hearings on H.B. 260 and to support its passage.

Thank you.

Sincerely,

David B. Jones, DDS

David B. Jones, D.D.S.
Chief,
Dental Service Section
Alaska Area Native Health Services

AMERICAN  LUNG ASSOCIATION of ALASKA
Dedicated to the prevention and control of lung disease

January 25, 1988

Senator Mitch Abood
P.O. Box V
Juneau, Alaska 99811

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JAN 29 1988

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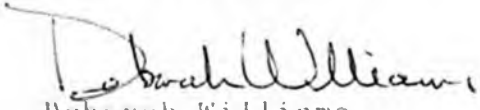
Dear Senator Abood:

On behalf of the 12,000 members of the American Lung Association of Alaska, we urge you to schedule HB 260 for hearing at the State Affairs Committee as soon as possible.

HB 260 is a very important health bill, and is one of the Lung Association's priorities for 1988.

Thank you for your prompt scheduling of this matter.

Sincerely,


Deborah Williams
Executive Director

C
A

Alaska Thoracic Society
605 Barrow Street, Suite 2
Anchorage, Alaska 99501

RECEIVED

JAN 29 1988

January 27, 1988

Senator Mitch Abood
P.O.Box V
Juneau, Alaska 99811

Dear Senator Abood:

During its annual meeting on January 16, 1988, the Alaska Thoracic Society (ATS) voted unanimously to support HB 260. As a professional group of pulmonary physicians and respiratory therapists, the ATS is dedicated to the lung health of Alaskans. We view HB 260 as a critical piece of legislation in this regard.

Please schedule HB 260 for a hearing in your State Affairs Committee as soon as possible. We hope that it will be heard by the second week of February.

Thank you in advance for scheduling HB 260. If we can be of further assistance, please let us know.

Beth Baker, MD
Beth Baker
Past President
Alaska Thoracic Society



Telegram

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POM 08033 ANCHORAGE ALASKA 12 01-26 914P AST

PMS

SENATOR MITCH ABDOO

POUCH V 050

JUNEAU AK 99911

PLEASE SCHEDULE EARLY HEARING ON HB 220 WHICH I FROM YOUR DISTRICT FAVOR.

RODMAN WILSON, M.D.

6234 TAMAINA DRIVE

ANCHORAGE, ALASKA 99502

RECEIVED
JAN 28 1988

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: CSHB 260 (FIN)
Publish Date: HOUSE 5/13/87

Revision Date: 5/11/87
Title: An act establishing an excise tax on the sale of smokeless tobacco.
Sponsor: Ellis, Gruenberg, Pourchot, etc
Requestor: _____

Agency Affected: Department of Revenue
BRU: Division of Audit
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	15.0	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	15.0	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	Will range from 625.0 to 1 million each year				

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	15.0	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	15.0	-	-	-	-

POSITIONS:

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

ANALYSIS: See attached analysis.

Prepared By: Steven E. Kettel
Division: Division of Audit
Approved by Commissioner: _____
Agency: _____

Phone: 465-2320
Date: May 12, 1987
Date: 5/12/87

Distribution (by Agency preparing fiscal note):

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

CSHB 260 (FIN)
Fiscal Note Analysis

Section 1

AS 43.50.300 imposes a 25% excise tax on tobacco products manufactured or transported into the state. The amount of the tax liability is measured by the wholesale price. The tax is intended to be levied against the person manufacturing, bringing or transporting the tobacco product into the state. It may be somewhat unclear, however, whether the incidence of the tax falls on the manufacturer, distributor, or retailer unless this section is read in conjunction with other sections. We recommend the second sentence read "The tax is levied on the distributor". The definition of distributor in AS 43.50.390 duplicates the language in AS 43.50.300 thereby rendering .300 unnecessary.

AS 43.50.310(a) exempts from the tax any "facility" operated by "uniformed services". While the incidence of tax may not necessarily directly fall upon the facility when the tobacco product is obtained from a distributor, it is our understanding that the intent of the provision is to effect a pass through of the exemption from the facility to prior distributors.

AS 43.50.310(b) provides that the tax does not apply if federal law otherwise precludes the tax. This provision effectively exempts tobacco products from the statute where the taxation would violate federal law, i.e. an unconstitutional or discriminatory tax on interstate commerce, for example.

AS 43.50.320 requires that a distributor must be licensed unless already licensed under the cigarette tax provisions. Thus, there is no duplicative licensing. The license is effective for one year and may be renewed each year at a cost of \$50. A license is not generally assignable or transferable except in certain specified circumstances.

The department can refuse to issue a license if it has "reasonable cause" to believe the application is false or misleading and is not made in good faith. The bill does not define reasonable cause nor establish a procedure for an applicant to attempt to refute the finding of the department. Therefore, an applicant is not entitled to a hearing on the refusal to grant a license. Further, a license may be suspended or revoked if there is any violation of statutory or regulatory provisions. There is no statutory right to protest a license revocation or suspension.

AS 43.50.330 requires that returns be filed each month by a licensee reporting the sales of tobacco products for the prior month. The tax, less one percent allowed to the licensee for administrative expense, is due with the filing of the return.

AS 43.50.340 provides that a licensee must keep and preserve for three years accurate records as required by the department.

HOUSE 5/13/87

AS 43.50.350 provides that the tax goes into the general fund and must be separately accounted for by the commissioner of administration. The funds are not dedicated but it is envisioned the legislature may use the annual balance to make appropriations for health care and other health related areas.

AS 43.50.360 requires the department to submit to the legislature an annual report on the first day of each regular session.

AS 43.50.370 allows the department to adopt regulations to carry out the provisions of the statute.

AS 43.50.390 defines the terms "distributor", "licensee", "tax", "tobacco product" and "wholesale price". The term tobacco products excludes cigarettes. The wholesale price is the "established price" for which a manufacturer sells a tobacco product to a distributor which may not necessarily be the actual price.

Section 2

AS 43.50.170 is amended to limit the definitions pertaining to the cigarette tax to those provisions and to make them inapplicable to the tobacco products provisions. A drafting revision is also made to make references to gender neutral.

Fiscal Costs

§15.0 contractual - to provide necessary funds for tax return form revisions, new forms, spreadsheet software for preparing annual report to legislature, and costs attendant for drafting and public noticing regulations to address reporting requirements.

Prepared by:
Department of Revenue
Division of Audit
May 12, 1987