

**HEB**

**159**

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tobacco Purchase, Possession, Sale, etc. BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Representative Kott  
 Requestor: (H) L&C COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 98      | FY 99      | FY 00      | FY 01      | FY 02      | FY 03      |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      |            |            |            |            |            |            |
| TRAVEL                 |            |            |            |            |            |            |
| CONTRACTUAL            |            |            |            |            |            |            |
| SUPPLIES               |            |            |            |            |            |            |
| EQUIPMENT              |            |            |            |            |            |            |
| LAND & STRUCTURES      |            |            |            |            |            |            |
| GRANTS, CLAIMS         |            |            |            |            |            |            |
| MISCELLANEOUS          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

|                        |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES ( ) |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| Other                    |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Section 6 of the proposed legislation amends the licensing provisions for manufacturers, distributors and vending machine operators (required to file tax returns). The amendments allow the department to suspend or revoke tobacco licenses, for up to one year, for criminally negligent violations of AS 11.76.107. Licensees would be able to appeal this action. There are approximately 45 businesses who would be subject to the new provisions. DOR can administer the revocations and potential appeal actions with current resources.

Prepared by: Robert Bartholomew  
 Division: Income and Excise Audit  
 Approved by Commissioner: Wilson L. Condon *Rehins for*  
 Agency: Revenue

Phone: 465-4773  
 Date: April 9, 1997  
 Date: April 9, 1997

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# FISCAL NOTE

NO. \_\_\_\_\_  
 Bill Version: CS SSHB 159(L&C)  
 (H) Publish Date: 4/17/97

STATE OF ALASKA  
 1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "An Act relating to the sale, gift, exchange,  
possession, and purchase of tobacco and tobacco products; . . .  
 Sponsor: Representative Kott BRU: Criminal Division/Civil Division  
 Requester: House Labor and Commerce Committee Component: Criminal Division  
 COMPONENT SERIAL NO. 2085/2087

**Expenditures/Revenues** (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES      |       |       |       |       |       |       |
| TRAVEL                 |       |       |       |       |       |       |
| CONTRACTUAL            |       |       |       |       |       |       |
| SUPPLIES               |       |       |       |       |       |       |
| EQUIPMENT              |       |       |       |       |       |       |
| LAND & STRUCTURES      |       |       |       |       |       |       |
| GRANTS, CLAIMS         |       |       |       |       |       |       |
| MISCELLANEOUS          |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

|                        |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES ( ) |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

| FUND SOURCE              | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 1002 Federal Receipts    |       |       |       |       |       |       |
| 1003 GF Match            |       |       |       |       |       |       |
| 1004 GF                  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| 1005 GF/Program Receipts |       |       |       |       |       |       |
| 1006 GF/MHTIA            |       |       |       |       |       |       |
| Other                    |       |       |       |       |       |       |
| <b>TOTAL</b>             | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |

Estimate of any-current year (FY97) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

SSHB 159 proposes additional restrictions and penalties for the sale, gift, exchange, possession, and purchase of tobacco and tobacco products. The proposed additional restrictions on the placement of vending machines and other amendments concerning the sale of tobacco products to minors will have no impact on the Department of Law. The sponsor substitute removes the requirements for administrative revocation of drivers' licenses as a penalty for violation of the proposed statute, and the Department of Law no longer anticipates any fiscal impact from this bill.

Prepared by: Joan M. Kasson *Joan M. Kasson*  
 Division: Administrative Services Division  
 Approved by Commissioner: Bruce M. Botelho, Attorney General *Bruce Botelho for*  
 Agency: Department of Law

Phone: 465-5370  
 Date: 4/7/97  
 Date: 4/7/97

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FISCAL NOTE

Bill Version: CS SSHB 159(L&C)  
(H) Publish Date: 4/17/97

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: "An Act relating to sale, gift, exchange, possession and purchase of tobacco and tobacco products..."  
Sponsor: Representative Kott  
Requestor: (H) L & C

Department Affected: Administration  
BRU: Public Defender Agency  
Component: Public Defender Agency  
COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES      |       |       |       |       |       |       |
| TRAVEL                 |       |       |       |       |       |       |
| CONTRACTUAL            |       |       |       |       |       |       |
| SUPPLIES               |       |       |       |       |       |       |
| EQUIPMENT              |       |       |       |       |       |       |
| LAND & STRUCTURES      |       |       |       |       |       |       |
| GRANTS, CLAIMS         |       |       |       |       |       |       |
| MISCELLANEOUS          |       |       |       |       |       |       |
| TOTAL OPERATING        | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| CAPITAL EXPENDITURES   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| CHANGE IN REVENUES ( ) | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |

FUND SOURCE: (Thousands of Dollars)

|                          |     |     |     |     |     |     |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts    |     |     |     |     |     |     |
| 1003 GF Match            |     |     |     |     |     |     |
| 1004 GF                  |     |     |     |     |     |     |
| 1005 GF/Program Receipts |     |     |     |     |     |     |
| 1037 GF/Mental Health    |     |     |     |     |     |     |
| OTHER                    |     |     |     |     |     |     |
| TOTAL                    | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This sponsor substitute to the original bill removes the penalty of administrative revocation of a driver's license for the violation of under-age purchase or possession of tobacco products by a minor. It makes the sale, exchange or giving of tobacco products to a minor, the presentation of false proof of age to obtain tobacco products by a minor, and the failure to demand proof of age by the vendor, violations. There is no fiscal impact on the Public Defender Agency.

Prepared by: Barbara K. Brink, Director  
Division: Public Defender Agency

Phone: (907) 264-4414  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Bover  
Agency: Department of Administration

Date: 4/8/97

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# FISCAL NOTE

Bill Version: CS SSHB 159(LW)

(H) Publish Date: 4/17/97

**STATE OF ALASKA  
1997 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
 Title: Sale and possession of tobacco BRU: Trial Courts  
 Component: \_\_\_\_\_  
 Sponsor: Rep. Kott  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 768

**Expenditures/Revenues (Thousands of Dollars)**

| OPERATING EXPENDITURES | FY 98      | FY 99      | FY 00      | FY 01      | FY 02      | FY 03      |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      | 7.9        | 7.9        | 7.9        | 7.9        | 7.9        | 7.9        |
| TRAVEL                 |            |            |            |            |            |            |
| CONTRACTUAL            |            |            |            |            |            |            |
| SUPPLIES               |            |            |            |            |            |            |
| EQUIPMENT              |            |            |            |            |            |            |
| LAND & STRUCTURES      |            |            |            |            |            |            |
| GRANTS & CLAIMS        |            |            |            |            |            |            |
| MISCELLANEOUS          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

|                        |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES ( ) |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|

**Fund Source (Thousands of Dollars)**

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  | 7.9        | 7.9        | 7.9        | 7.9        | 7.9        | 7.9        |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| Other                    |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> | <b>7.9</b> |

Estimate of any current year (FY 97) cost: None

**Positions**

|           |     |     |     |     |     |     |
|-----------|-----|-----|-----|-----|-----|-----|
| Full-Time |     |     |     |     |     |     |
| Part-Time | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Temporary |     |     |     |     |     |     |

**ANALYSIS:** (Attach a separate page if necessary)

See attached fiscal analysis.

Prepared by: Doug Wooliver, Administrative Attorney  
 Agency: Alaska Court System  
 Approved by: Stephanie J. Cole, Acting Administrative Director  
 Agency: Alaska Court System

Phone: 264-8228  
 Date: 04/08/97  
 Date: 04/08/97

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Alaska Court System  
Fiscal Analysis  
SSHB 159

Section 5 of SSHB 159 requires the court system to separately account for the fines collected for violations of various tobacco related offenses. Because the court system computer software cannot be adapted for such a function, the separate accounting will have to be done by hand. This note represents the clerical cost to manually search through each days receipts to find, tally, and record any fines collected from tobacco related violations.

The estimated cost is based on the conservative estimate that there were 1,000 citations written by local police agencies around the state in FY 96. It should be noted that this figure only represents citations written for minors in possession of tobacco and does not include other tobacco related offenses.

Further, this note does not account for the likely increase in citations which may result from the enforcement incentive created under section 5, which provides that the fines collected may be appropriated by the legislature back to municipal law enforcement agencies.

Alaska Court System

Fiscal Analysis

SSHB 159

Personal Services

Position

Salary

Benefits

Total

Court Clerk II, 10A, Anchorage, permanent part-time position, 3 months

\$6,315

\$1,627

\$7,942

# FISCAL NOTE

Bill Version: CS SSHB 159 L&C

(H) Publish Date: 4/17/97

**STATE OF ALASKA  
1997 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: An Act relating to sale, possession, and purchase  
of tobacco and tobacco products;.....  
 Sponsor: Reps. Kott, Mulder, Kohring, Sanders, Ryan  
 Requestor: House Labor & Commerce

Department: Commerce and Economic Development  
 BRU: Occupational Licensing  
 Component: Operations  
 COMPONENT SERIAL NO. 1844

| Expenditures/Revenues  | (Thousands of Dollars) |       |       |       |       |       |
|------------------------|------------------------|-------|-------|-------|-------|-------|
| OPERATING EXPENDITURES | FY 98                  | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
| PERSONAL SERVICES      |                        |       |       |       |       |       |
| TRAVEL                 |                        |       |       |       |       |       |
| CONTRACTUAL            |                        |       |       |       |       |       |
| SUPPLIES               |                        |       |       |       |       |       |
| EQUIPMENT              |                        |       |       |       |       |       |
| LAND & STRUCTURES      |                        |       |       |       |       |       |
| GRANTS, CLAIMS         |                        |       |       |       |       |       |
| MISCELLANEOUS          |                        |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | 0.0                    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                           |      |      |      |      |      |      |
|---------------------------|------|------|------|------|------|------|
| <b>CHANGE IN REVENUES</b> | 66.3 | 49.2 | 66.3 | 49.2 | 66.3 | 49.2 |
|---------------------------|------|------|------|------|------|------|

| FUND SOURCE              | (Thousands of Dollars) |     |     |     |     |     |
|--------------------------|------------------------|-----|-----|-----|-----|-----|
| 1002 Federal Receipts    |                        |     |     |     |     |     |
| 1003 GF Match            |                        |     |     |     |     |     |
| 1004 General Fund        |                        |     |     |     |     |     |
| 1005 GF/Program Receipts |                        |     |     |     |     |     |
| 1006 GF/MHTIA            |                        |     |     |     |     |     |
| Other 1091 Designated PR |                        |     |     |     |     |     |
| <b>TOTAL</b>             | 0.0                    | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY 97) cost: \$ 0.0

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

SSHB 159 establishes penalties for individuals and businesses who sell or give tobacco or tobacco related products to minors. The statutory amendments made to the tobacco endorsement attached to a business license will not require new funding to implement. However, the increase of the tobacco endorsement fee from \$25 to \$100 will generate additional revenue. There are currently 994 business licenses with tobacco endorsements due for renewal in FY 98 that will be expected to pay the new fee at the 12/31/97 renewal. There are currently 656 business licenses with tobacco endorsements that will renew in FY 99 at the 12/31/98 renewal. Assuming licensing activity remains relatively constant, the revenue can be expected to repeat in subsequent years. The amount shown above represents "new" revenue resulting from the increase of \$25 to \$100.

Prepared by: Jennifer Strickler, Administrative Manager  
 Division: Occupational Licensing  
 Approved by Commissioner: William L. Hensley  
 Agency: Commerce and Economic Development

Phone: 465-2144  
 Date: 4/4/97  
 Date: 4/17/97

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# FISCAL NOTE

Bill Version: CS SSB 159

(H) Publish Date: 4/17/97

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO:** \_\_\_\_\_

Revision Date: 03/15/97 Dept. Affected: Public Safety  
 Title: Minor Possession of Tobacco BRU: Alaska State Troopers  
 Component: Detachments  
 Sponsor: Rep. Kott  
 Requestor: House Labor & Commerce COMPONENT SERIAL NO. 0799

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

| OPERATING                     | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|-------------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES             |       |       |       |       |       |       |
| TRAVEL                        |       |       |       |       |       |       |
| CONTRACTUAL                   |       |       |       |       |       |       |
| SUPPLIES                      |       |       |       |       |       |       |
| EQUIPMENT                     |       |       |       |       |       |       |
| LAND & STRUCTURES             |       |       |       |       |       |       |
| GRANTS, CLAIMS                |       |       |       |       |       |       |
| MISCELLANEOUS                 |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b>        | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |
| <b>CAPITAL</b>                | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |
| <b>CHANGE IN REVENUES ( )</b> | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |
| Revenue Code                  |       |       |       |       |       |       |

**FUNDING: (Thousands of Dollars)**

|                       |     |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts |     |     |     |     |     |     |
| 1003 GF Match         |     |     |     |     |     |     |
| 1004 GF               |     |     |     |     |     |     |
| 1005 GF/Program       |     |     |     |     |     |     |
| 1006 GF/MHTIA         |     |     |     |     |     |     |
| Other                 |     |     |     |     |     |     |
| <b>TOTAL</b>          | -0- | -0- | -0- | -0- | -0- | -0- |

Estimate of current year (FY 97) impact: \$ \_\_\_\_\_

**POSITIONS:**

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

**ANALYSIS: (Attach a separate page if necessary.)**

This bill may increase the number of persons with revoked licenses, however, it is not expected to have any significant fiscal impact on AST.

Prepared By: Capt. Ted M. Bachman Phone: 269-5650  
 Division: Alaska State Troopers Date: 03/15/97

Approved by Commissioner: Ronald L. Otte *[Signature]* Date: 3/1/97  
 Agency: Department of Public Safety

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# HOUSE COMMITTEE REPORT

Referred to Committee: April 17, 1997

FURTHER REFERRALS:

of Committee Action: 5/5/97

JUDICIARY Committee considered:

SSHB 159

NSOR SUBSTITUTE FOR HOUSE BILL NO. 159

TOBACCO PURCHASE, POSSESSION, SALE, ETC.

Act relating to sale, gift, exchange, possession, and purchase of tobacco and tobacco products; and providing for effective date."

Commends it be replaced with the following committee substitute CSSSH 159 (JUD)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

DOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) \_\_\_\_\_  [2] fiscal note(s) COURTS, DCED

zero fiscal note(s) \_\_\_\_\_  [4] zero fiscal note(s) DPS, REVENUE  
LAW & ADMIN.

| SIGNING WITH RECOMMENDATIONS |           | DP                                  | DNP | NR                                  | AM |
|------------------------------|-----------|-------------------------------------|-----|-------------------------------------|----|
| <i>Norm Rokeberg</i>         | ROKEBERG  | <input checked="" type="checkbox"/> |     |                                     |    |
| <i>Brian D. Porter</i>       | PORTER    | <input checked="" type="checkbox"/> |     |                                     |    |
| <i>James Green</i>           | GREEN     | <input checked="" type="checkbox"/> |     |                                     |    |
| <i>James James</i>           | JAMES     |                                     |     | <input checked="" type="checkbox"/> |    |
| <i>Bill Bunde</i>            | BUNDE     |                                     |     | <input checked="" type="checkbox"/> |    |
| <i>Ed Berkowitz</i>          | BERKOWITZ |                                     |     | <input checked="" type="checkbox"/> |    |
| <i>Jim Croft</i>             | CROFT     |                                     |     | <input checked="" type="checkbox"/> |    |
|                              |           |                                     |     |                                     |    |
|                              |           |                                     |     |                                     |    |
|                              |           |                                     |     |                                     |    |

CHAIR'S SIGNATURE *[Signature]*

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 159(JUD)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:  
 Referred:

Sponsor(s): REPRESENTATIVES KOTT, Mulder, Kohring, Sanders, Ryan, Cowdery

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to sale, gift, exchange, possession, and purchase of tobacco and  
 2 tobacco products; and providing for an effective date."

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

4 \* Section 1. AS 11.76.100(a) is amended to read:

5 (a) A person commits the offense of selling or giving tobacco to a minor if the  
 6 person is 19 years of age or older and

7 [(1)] negligently sells, exchanges, or gives a cigarette, a cigar, tobacco,  
 8 or a product containing tobacco to a person under 19 years of age [; OR

9 (2) MAINTAINS A VENDING MACHINE THAT DISPENSES  
 10 CIGARETTES, CIGARS, TOBACCO, OR PRODUCTS CONTAINING TOBACCO].

11 \* Sec. 2. AS 11.76.105 is repealed and reenacted to read:

12 Sec. 11.76.105. Possession, purchase, or use of false identification to obtain  
 13 tobacco by a person under 19. (a) A person under 19 years of age may not  
 14 knowingly

- 1 (1) possess or attempt to purchase a tobacco product in this state; or  
 2 (2) present false or fraudulent proof of age for the purpose of  
 3 purchasing a tobacco product.

4 (b) A person who violates this section is guilty of a violation and upon  
 5 conviction shall be punished by a fine of not less than \$250 for a first offense within  
 6 a two-year period, not less than \$500 for a second offense within a two-year period,  
 7 and not less than \$1,000 for a third or subsequent offense within a two-year period.

8 (c) In this section, "possess" does not include possession for the purpose of  
 9 retail sale by a person under 19 years of age who holds a license endorsement under  
 10 AS 43.70.075 or who is the employee of a person who holds a license endorsement  
 11 under AS 43.70.075.

12 \* Sec. 3. AS 11.76.107 is repealed and reenacted to read:

13 **Sec. 11.76.107. Restrictions on sale of tobacco and tobacco products. (a)**

14 A person may not sell a tobacco product unless

15 (1) the

16 (A) person also holds a license endorsement issued under  
 17 AS 43.70.075;

18 (B) sale occurs on the retail premises; and

19 (C) person purchasing or receiving the tobacco product provides  
 20 proof of age if proof is demanded as provided under (c) of this section;

21 (2) the sale is a wholesale transaction by a person licensed as a  
 22 manufacturer under AS 43.50.010;

23 (3) the sale is by mail order, and the person selling the tobacco product  
 24 has a copy of the purchaser's photo identification indicating that the purchaser is at  
 25 least 19 years of age; or

26 (4) the sale is by vending machine as provided under (b) of this section.

27 (b) Except as provided in this subsection, a person may not sell a tobacco  
 28 product by vending machine. The sale of a tobacco product through a vending  
 29 machine is permitted if the vending machine is located in

30 (1) an employee break room or other controlled area of a private work  
 31 place that is not generally considered a public place; or

1 (2) a place where alcoholic beverages are sold, but only if the vending  
2 machine is

3 (A) located as far as practicable from the primary entrance; and

4 (B) inaccessible to the public when the licensed premises is  
5 closed.

6 (c) A person engaged in the sale of a tobacco product shall demand proof of  
7 age from a prospective purchaser or recipient if the person has reason to believe that  
8 the prospective purchaser or recipient is under 27 years of age. A prosecution for  
9 violation of this subsection may not be brought unless a prosecution is also brought  
10 for violation of AS 11.76.100.

11 (d) A person engaged in the retail business of selling a tobacco product shall  
12 notify each individual employed by that person as a retail sales clerk that state law (1)  
13 prohibits the sale of a tobacco product to any person under 19 years of age and the  
14 purchase or receipt of a tobacco product by any person under 19 years of age; and (2)  
15 requires that proof of age be demanded from a prospective purchaser or recipient if the  
16 person engaged in sale of the tobacco product has reason to believe that the  
17 prospective purchaser or recipient is under 27 years of age. This notice shall be  
18 provided before the individual commences work as a retail sales clerk. The individual  
19 shall signify receipt of the notice required by this subsection by signing a form stating  
20 as follows:

21 "I understand that state law prohibits the sale of a tobacco  
22 product to persons under 19 years of age and requires that proof  
23 of age be demanded from a prospective purchaser or recipient  
24 if I have reason to believe that the prospective purchaser or  
25 recipient is under 27 years of age. I promise, as a condition of  
26 my employment, to observe this law."

27 Each form signed by an individual shall indicate the date of signature. The employer  
28 shall retain the form signed by an individual employed as a retail sales clerk until 120  
29 days after the individual has left the employer's employ.

30 (e) The court shall forward to the Department of Commerce and Economic  
31 Development a record of each person convicted under this section.

1 (f) A person who holds a business license endorsement under AS 43.70.075,  
 2 or an agent or employee of the person, may not sell cigarettes to another person if the  
 3 cigarettes are sold singly or in numbers that are fewer than contained in the  
 4 manufacturer's original cigarette pack or contained in a cigarette carton or box.

5 (g) A person who violates this section is guilty of a violation and upon  
 6 conviction shall be punished by a fine of not less than \$250 for a first offense within  
 7 a two-year period, of not less than \$500 for a second offense within a two-year period,  
 8 and for a third or subsequent violation within a two-year period by a fine of not less  
 9 than \$1,000 and suspension of the license endorsement required under AS 43.70.075  
 10 for a period of not more than one year.

11 \* Sec. 4. AS 11.76 is amended by adding a new section to read:

12 **Sec. 11.76.109. Definitions for AS 11.76.100 - 11.76.109.** In AS 11.76.100 -  
 13 11.76.109, unless the context requires otherwise,

14 (1) "person" has the meaning given in AS 11.81.900;

15 (2) "proof of age" means a driver's license or other documentary or  
 16 written evidence that is made of or encased in plastic and contains a photograph of the  
 17 holder and a statement of age or date of birth that establishes that the person is 19  
 18 years of age or older;

19 (3) "tobacco product" means a product that contains tobacco and is  
 20 intended for human consumption;

21 (4) "vending machine" means a mechanical, electric, or electronic self-  
 22 service device that, upon insertion of money, tokens, or another form of payment,  
 23 automatically dispenses a tobacco product.

24 \* Sec. 5. AS 22.35 is amended by adding a new section to read:

25 **Sec. 22.35.020. Use of fine proceeds.** The administrative director of the court  
 26 system shall separately account for fines collected for violations of AS 11.76.100,  
 27 11.76.105, and 11.76.107 and deposit them in the general fund. The annual estimated  
 28 balance in the account maintained under this section for fines collected under  
 29 AS 11.76.100, 11.76.105, or 11.76.107 may be appropriated by the legislature to  
 30 support municipal law enforcement.

31 \* Sec. 6. AS 43.50.070 is amended to read:

1           **Sec. 43.50.070. Revocation or suspension of licenses.** The department may  
 2 suspend or revoke a license issued under AS 43.50.010 - 43.50.180, (1) for a  
 3 criminally negligent violation of AS 11.76.100 [, 11.76.107] or a violation of  
 4 AS 43.50.010 - 43.50.180 or a regulation of the department adopted under  
 5 AS 43.50.010 - 43.50.180; (2) if a licensee ceases to act in the capacity for which the  
 6 license was issued; or (3) if a manufacturer, distributor, or wholesale distributor  
 7 negligently sells tobacco or products containing tobacco to a nonlicensed retailer or a  
 8 retailer whose license endorsement under AS 43.70.075 has been suspended. The  
 9 department may suspend or revoke a license issued under AS 43.50.010 -  
 10 43.50.180 for a period of not more than one year for a criminally negligent  
 11 violation of AS 11.76.107. A person whose license is suspended or revoked may not  
 12 sell cigarettes or permit cigarettes to be sold during the period of the suspension or  
 13 revocation on the premises occupied or controlled by that person and may not apply  
 14 for a license under AS 43.50.010 - 43.50.180 under a different name. A  
 15 disciplinary proceeding or action is not barred or abated by the expiration, transfer,  
 16 surrender, renewal, or extension of a license issued under AS 43.50.010 - 43.50.180.  
 17 The department shall comply with the provisions of AS 44.62 ( [THE] Administrative  
 18 Procedure Act [(AS 44.62)]).

19 \* Sec. 7. AS 43.70.075(b) is amended to read:

20           (b) The department, upon payment of a fee of \$100 [\$25], shall issue a  
 21 business license endorsement to a person who applies for a business license under this  
 22 chapter, and may renew the endorsement issued under this subsection for a fee of \$100  
 23 [\$25]. The endorsement expires at the same time as the license to which it attaches.

24 \* Sec. 8. AS 43.70.075(d) is amended to read:

25           (d) If a person who holds an endorsement issued under this section, or an  
 26 agent or an employee of a person who holds an endorsement issued under this section  
 27 acting within the scope of the agency or employment, has been convicted of violating  
 28 AS 11.76.100 or 11.76.107, or violates a provision of this section or a regulation  
 29 implementing this section [ADOPTED UNDER AS 43.70.090], the department may  
 30 suspend the endorsement for a period of not more than

31                   (1) 45 days; [OR]

1 (2) 90 days, if within the past 24 months the person has been  
 2 previously convicted of violating AS 11.76.100 or 11.76.107, or a provision of this  
 3 section or a regulation implementing this section; or

4 (3) one year if within the past 24 months the person has been  
 5 previously convicted two or more times of violating AS 11.76.100 or 11.76.107 or  
 6 a provision of this section or a regulation implementing this section [ADOPTED  
 7 UNDER AS 43.70.090].

8 \* Sec. 9. AS 43.70.075(e) is amended to read:

9 (e) If a person who receives an endorsement under this section has multiple  
 10 retail outlets, a suspension imposed under (d) of this section applies only to the retail  
 11 outlet in which the violation occurs. If a person receives a suspension under (d) of  
 12 this section, the person may not apply for a license endorsement under this section  
 13 under a different name.

14 \* Sec. 10. AS 47.12.030(b) is amended to read:

15 (b) When a minor is accused of violating a statute specified in this subsection,  
 16 other than a statute the violation of which is a felony, this chapter and the Alaska  
 17 Delinquency Rules do not apply and the minor accused of the offense shall be charged,  
 18 prosecuted, and sentenced in the district court in the same manner as an adult; if a  
 19 minor is charged, prosecuted, and sentenced for an offense under this subsection, the  
 20 minor's parent, guardian, or legal custodian shall be present at all proceedings; the  
 21 provisions of this subsection apply when a minor is accused of violating

22 (1) a traffic statute or regulation, or a traffic ordinance or regulation of  
 23 a municipality;

24 (2) AS 11.76.105 [, RELATING TO THE POSSESSION OF  
 25 TOBACCO BY A PERSON UNDER 19 YEARS OF AGE];

26 (3) a fish and game statute or regulation under AS 16;

27 (4) a parks and recreational facilities statute or regulation under  
 28 AS 41.21; and

29 (5) AS 04.16.050, relating to possession, control, or consumption of  
 30 alcohol.

31 \* Sec. 11. AS 11.76.100(b) and 11.76.100(c) are repealed

1 \* Sec. 12. TRANSITIONAL NOTICE PROVISION. Within 30 days after the effective  
2 date of this Act, the employee notice required under AS 11.76.107(d), enacted in sec. 3 of this  
3 Act, shall be given to employees engaged in the retail business of selling a tobacco product  
4 on the day before the effective date of this Act.

5 \* Sec. 13. This Act takes effect July 1, 1997.

W/O OBJECTION

| Statute                 | HB 79 - Bunde  | HB 159 - Kott   | HB 189 - Cowdery   |
|-------------------------|--|---|--|
| 11.76.100               | Vendors can't be charged with a violation if ID is presented. Vending machines must be at least 10 feet from an entrance.  | Raises age of tobacco use to 21; Forwards names of people selling tobacco to kids to DCED   | Raises sales of tobacco from a violation to a misdemeanor for first offense, C felony for second within 5 years. Restricts tobacco sales to vendors who:<br>1) have a liquor license<br>2) restrict tobacco access to clerks [not customers]<br>3) are wholesalers, or<br>4) use vending machines. Clerks must sign a form stating their understanding of the rules. |
| 11.76.102 (new section) | Cigarettes must be sold in packs of at least 20 with the Surgeon General's warning. Requires businesses to keep tobacco products secure, post a warning sign, and not sell to minors. Non-compliance of these provisions is a violation. Courts notify DCED of violations. | silent  | silent   |
| 11.76.104 (new section) | Using a fake ID to buy tobacco is a violation.   | silent  | silent   |
| 11.76.105               | If parents sign off, kids can be used in stings  | A person under 21 who possesses tobacco or uses a fake ID to buy tobacco is guilty of a violation with graduated fines. People under 21 can sell tobacco if licensed. | silent   |

| Statute                 | HB 79 - Bunde  | HB 159 - Kott  | HB 189 - Cowdery |
|-------------------------|--|--|------------------|
| 11.76.107               | Amended to reflect new language in 11.76.100   | Sales are restricted to licensed vendors on retail premises, wholesalers, and mail order catalogs where proof of age is presented to the seller. Vending machines must be in non-public places or places where people under 21 are forbidden. Clerks must sign a form stating their understanding of the rules. Non-compliance of these provisions is a violation. Courts notify DCED of violations. | silent           |
| 11.76.109 (new section) | Defines "person", "proof of age", "tobacco product", "product containing tobacco", and "vending machine".                    | Defines "person", "proof of age", "tobacco product", and "vending machine".  | silent           |
| 22.35.020 (new section) | silent   | Fines collected for violations of 11.76.100, 11.76.105, and 11.76.107 "may be appropriated by the legislature to support municipal law enforcement."   | silent           |
| 29.10.110 (new section) | Home rule municipalities may also tax tobacco.   | silent   | silent           |
| 43.50.070               | Licenses can be suspended or revoked for providing tobacco products to a vendor whose license has been suspended or revoked. | Licenses can be suspended or revoked for up to a year for violating AS 11.76.107. Vendors may not apply for a license under another name.  | silent           |

| Statute   | HB 79 - Bunde  | HB 159 - Kott  | HB 189 - Cowdery |
|-----------|--|--|------------------|
| 43.70.075 | Each retail outlet must obtain a license, license fees are increased from \$25 to \$100, and licenses can not be issued to vendors with suspended or revoked licenses. Violations result in graduated license suspensions of 90 days, 180 days, 1 year, and revocation. Only clerks can access tobacco products, warning signs must be posted, and clerks must card. DCED must develop a training program and clerks must take the course at least once every two years. | License fees are increased from \$25 to \$100 and licenses can not be issued to vendors with suspended licenses. Violations result in graduated license suspensions of 45 days, 90 days, and 1 year. Warning signs must reflect new minimum tobacco use age of 21. | silent           |
| 43.70.080 | Funds collected for violations will be used to support enforcement of tobacco laws.  | silent   | silent           |
| 43.70.090 | DCED will adopt regulations to implement 43.70.075   | silent   | silent           |
| 47.12.030 | Kids violating tobacco laws are treated as adults (like traffic tickets).  | Kids violating tobacco laws are treated as adults (like traffic tickets).  | silent           |

AMENDMENT #1

*passed  
no object  
5/5/97*

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: CSHB 159(L&C)

- 1 Page 1, line 5:
- 2 Delete "21"
- 3 Insert "19"
  
- 4 Page 1, line 6:
- 5 Delete "21"
- 6 Insert "19"
  
- 7 Page 1, line 7:
- 8 Delete "21"
- 9 Insert "19"
  
- 10 Page 1, line 8:
- 11 Delete "21"
- 12 Insert "19"
  
- 13 Page 2, line 5:
- 14 Delete "21"
- 15 Insert "19"
- 16 Delete "21"
- 17 Insert "19"
  
- 18 Page 2, line 15:
- 19 Delete "21"
- 20 Insert "19"

- 1 Page 2, line 31:
- 2 Delete "21"
- 3 Insert "19"
  
- 4 Page 3, line 7:
- 5 Delete "21"
- 6 Insert "19"
  
- 7 Page 3, line 21:
- 8 Delete "21"
- 9 Insert "19"
  
- 10 Page 3, line 22:
- 11 Delete "21"
- 12 Insert "19"
  
- 13 Page 3, line 30:
- 14 Delete "21"
- 15 Insert "19"
  
- 16 Page 4, line 25:
- 17 Delete "21"
- 18 Insert "19"
  
- 19 Page 6, line 22, through page 7, line 1:
- 20 Delete all material.
  
- 21 Renumber the following bill sections accordingly.

# Alaska State Legislature House of Representatives

## Committees

Rules Committee, Chair  
Legislative Council  
International Trade & Tourism  
Military & Veterans Affairs  
World Trade & State/Federal Relations



Interim:  
10928 Eagle River Rd. Suite 141  
Eagle River, AK 99577

Session:  
Alaska State Capitol  
Juneau, AK 99801

## CS SS HB 159 (L&C) SECTIONAL SUMMARY

At the outset, please note that the following sectional summary of CS SS HB 159(L&C) is not intended to be either an exhaustive or authoritative description of the bill's contents. The best statement of the contents of CS SS HB 159(L&C) is the bill itself.

**Section 1:** Repeals and reenacts AS 11.76.100. As reenacted, AS 11.76.100 makes it an offense to sell or give tobacco to persons under 21 years of age. Penalties are established at \$250 for a first offense, \$500 for a second offense, and \$1000 for a third or subsequent offense within a two-year period.

**Section 2:** Makes it an offense for a person under the age of 21 to possess tobacco, attempt to possess tobacco, or present fraudulent proof of age to purchase tobacco. Penalties are established at \$250 for a first offense, \$500 for a second offense, and \$1000 for a third or subsequent offense within a two-year period.

**Section 3:** Repeals and reenacts AS 11.76.107.

AS 11.76.107(a) prohibits the sale of tobacco products except: First, where the seller holds a license endorsement under AS 43.70.075, the sale occurs on retail premises, and the purchaser provides proof of age, if demand is made under this section. Second, where it is a wholesale transaction and the seller is licensed as a manufacturer under AS 43.50.010. Third, where the sale is by mail order.

AS 11.76.107(b) provides a general prohibition on the sale of tobacco by vending machines and establishes several exceptions to the general rule. The exceptions are as follows: First, where the vending machine is located in a factory, business, office, or other place not open to the public. Second, where the machine is located in a place that is open to the public but to which persons under 21 are not accorded access. Third, where the machine is located in a place that sells alcohol, provided the machine is under continuous supervision and is not accessible to the public when the business is closed.

AS 11.76.107(c) requires sellers of tobacco to demand proof of age from purchasers who the sellers have reason to believe are under 27 years of age.

AS 11.76.107(d) requires tobacco retailers to apprise their employees that state law requires purchasers to be at least 21 years of age and that proof of age must be demanded, prior to any sale of tobacco, where there is reason to

**Representative Pete Kott**

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believe that the purchaser is under 27 years of age. In addition, this section requires employees to sign a statement, the specific contents of which are articulated in this section, stating that they understand the provisions of law governing age restrictions and proof of age requirements, and promising to comply with said provisions of law.

AS 11.76.107(e) requires the Court to notify the Department of Commerce when a person is convicted of violating a section of AS 11.76.107.

AS 11.76.107(f) prohibits the sale of loose cigarettes.

AS 11.76.107(g) establishes penalties for a violation of this section at \$250 for a first offense, \$500 for a second offense, and \$1000 for a third or subsequent offense within a two-year period. In addition to the specified fine of \$1000 for a third conviction within a two-year period, the offender's license endorsement may be suspended for up to one year.

**Section 4:** Definition section.

**Section 5:** Requires the Court to separately account for fines collected under AS 11.76.100, .105, and .107. Permits such fines to be appropriated by the Legislature to support municipal law enforcement.

**Section 6:** Amends AS 43.50.070 to permit the Department to revoke or suspend a license issued under AS 4.50.010-180 (Cigarette Tax Act) for up to one year for a criminally negligent violation of AS 11.76.107. Provides that a person whose license is suspended or revoked may not apply for another license under a different name.

**Section 7:** Amends AS 43.70.075 to raise the tobacco business license endorsement fee from \$25 to \$100.

**Section 8:** Amends AS 43.70.075(d) to permit the Department to suspend the tobacco business license endorsement for a period of up to one year of any person who, within the previous 24 months, was convicted of violating AS 11.76.100, AS 11.76.107, any provision of this section, or any regulation implementing this section.

**Section 9:** States that persons who have received a suspension under AS 43.70.075(d) may not apply for a license endorsement under a different name.

**Section 10:** Conforming amendment.

**Section 11:** Conforming amendment.

**Section 12:** Transitional provision.

**Section 13:** Effective date.

Alaska State Legislature  
House of Representatives

Committees

Rules Committee, Chair  
Legislative Council  
International Trade & Tourism  
Military & Veterans Affairs  
World Trade & State/Federal Relations

Interim:  
10928 Eagle River Rd. Suite 141  
Eagle River, AK 99577

Session:  
Alaska State Capitol  
Juneau, AK 99801

**SPONSOR STATEMENT**  
**SSHB 159**

The State of Alaska has a serious problem with underage consumption of tobacco products. Statistics compiled by the Department of Health and Social Services indicate that 21% of Alaska's high school students regularly smoke and that 25% of our middle school students smoked at least one cigarette in the last month. As reported by the February 27, 1997 edition of The Wall Street Journal, the Centers for Disease Control and Prevention has concluded that approximately one million children each year take up smoking and that, unless they quit, over one-third of them will die from tobacco-related illnesses.

These statistics are cause for great concern. It is estimated that 18,000 of Alaska's children will succumb prematurely to tobacco-related illnesses. This is a tragedy, not only for the individuals, but for our state as a whole. I think that we can do better.

Under existing law, no one under 19 years of age is permitted to possess tobacco. Obviously, large numbers of our children are being accorded illegal access to this product. SSHB 159 would have the salutary effect of limiting that access. This bill requires that merchants, prior to the sale of tobacco, demand proof of age from any prospective patron who appears to be under twenty-seven years of age. SSHB 159 requires all clerks involved in the retail sale of tobacco to sign an acknowledgment that they have been advised of this proof of age requirement. In addition, SSHB 159 increases the penalties for underage sale or possession of tobacco.

Your support is urged.

Representative Pete Kott

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# **Youth Tobacco Usage**

---

- **83%** of adult smokers report that they started smoking before the age of 20.
- **21%** of Alaskan high school students reported they regularly smoked in the last month.
- **25%** of Alaskan middle school students reported smoking at least one cigarette in the last month.

# Youth Tobacco Vendors Survey

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- 64% of Alaska tobacco merchants complied with tobacco restriction laws in 1996.
- The federal government mandates an 80% compliance rate by the year 2000 under the Synar Amendment.
- Tobacco vendors refused to sell to 14-15 year olds 71% of the time, while 16-17 year olds were refused 58% of the time.



Department of Health and Social Services  
Karen Perdue, Commissioner  
3601 C Street, Suite 540, P.O. Box 240249, Anchorage, Alaska 99524-0249 (907) 269-8000

Division of Public Health  
Peter M. Nakamura, MD, M-F-H, Director

Section of Epidemiology  
John Middaugh, MD, Editor  
Bulletin No. 5 January 21, 1997

## Tobacco Use Among Alaska Youth

### Importance of Decreasing Youth Tobacco Use

Adolescence is a time when individuals do not often consider long term health effects of their behaviors. Once a person starts using tobacco, stopping the habit is not easy because of the addictive properties of nicotine. The vast majority (83.7%) of Alaska smokers began smoking between the ages of 10 and 20 years.<sup>1</sup> Therefore, one of the major strategies for reducing tobacco related deaths and illnesses is to discourage youths from starting to use tobacco.<sup>2</sup>

### Tobacco Use among Alaska High School Students<sup>1</sup>

Alaska high school students are more likely to be frequent smokers and to use smokeless tobacco than are U.S. students (Table 1). Alaska Native students have even higher rates of tobacco use.

Table 1. Tobacco use among high school students, Alaska and U.S., 1995

|                                | Percent of Students |                |      |
|--------------------------------|---------------------|----------------|------|
|                                | Alaska              | Alaska Natives | U.S. |
| Ever Tried Cigarettes          | 72.1                | 90.7           | 71.3 |
| Current Smokers <sup>a</sup>   | 36.5                | 61.9           | 34.8 |
| Frequent smokers <sup>b</sup>  | 21.1                | 43.7           | 16.1 |
| Smokeless Tobacco <sup>c</sup> | 15.6                | 22.5           | 11.4 |

<sup>a</sup>Used at least once in past 30 days

<sup>b</sup>Used 20 or more of past 30 days

<sup>c</sup>Chewing tobacco or snuff on at least one of past 30 days

Smoking rates are similar for boys and girls. However, boys are more likely to use smokeless tobacco (23.5% of boys and 6.7% of girls).

### Tobacco Use Among Alaska Middle School Students<sup>1</sup>

Over half of middle school students (grades 7 and 8) report having tried smoking at least once (58.3%); 24.8% report smoking on at least one day in the previous 30 days; 5.6% report smoking on 20 or more of the previous 30 days, and 30.3% report having tried smokeless tobacco.

### Health Implications

The Centers for Disease Control and Prevention estimates that 32% of youths who become regular smokers in early adulthood will die prematurely of a smoking-related death.<sup>4</sup> The estimate is based on data from studies of large populations of smokers and never-smokers.

Assuming that current smoking rates persist, 56,246 Alaska youths currently aged 0-17 will eventually become smokers.<sup>4</sup> Among these smokers, 17,999 (32%) will die prematurely from a smoking-related illness.

### Interventions to Prevent Tobacco Use among Youth

The 1994 Surgeon General's Report *Preventing Tobacco Use among Young People* states "Most of the American public strongly favor policies that might prevent tobacco use among young people. The policies include tobacco education in the schools, restriction on tobacco advertising and promotions, a complete ban on smoking by anyone on school grounds, prohibition of the sale of tobacco products to minors and earmarked tax increases on tobacco products."<sup>5</sup>

### Effects of a Tobacco Tax

Economists use the concept of "price elasticity of demand" to describe the sensitivity of consumption to changes in price. The price elasticity of demand is defined as the percentage change in consumption that results from a 1 percent increase in price.<sup>6</sup> A recent analysis based on sampling over 110,000 youths across the United States found a youth smoking price elasticity of -

0.675, meaning that for every 1% increase in the price of cigarettes, youth smoking would decrease by 0.675%, an estimate consistent with other studies.<sup>6</sup> Therefore, a \$1.00 increase per pack of cigarettes would prevent 5704 of the projected 17,999 smoking-related deaths (Table 2). A larger increase would save more lives; conversely, a smaller increase would save fewer lives (Figure 1).

Table 2. Summary of projected health gains due to tobacco price increases in Alaska<sup>a</sup>

|                                 | No change | Increase \$1.00 per pack | Increase \$2.00 per pack |
|---------------------------------|-----------|--------------------------|--------------------------|
| % <sup>b</sup> in price         | 0         | 46.93%                   | 93.90%                   |
| % <sup>c</sup> in youth smoking | 0         | 31.69%                   | 63.38%                   |
| Projected # of smokers          | 56,246    | 38,422                   | 20,597                   |
| Projected deaths <sup>d</sup>   | 17,999    | 2,295                    | 6591                     |
| Deaths prevented <sup>e</sup>   | 0         | 5,704                    | 11,408                   |

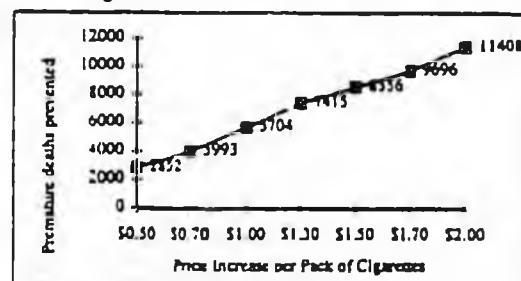
<sup>a</sup>Assumes an average cost of \$2.13 per pack of 20 cigarettes in Alaska

<sup>b</sup>Number of youth currently aged 0-17 who would eventually become smokers

<sup>c</sup>Premature smoking-related deaths, calculated as 32% of projected smokers

<sup>d</sup>Premature smoking-related deaths prevented, calculated as 17999 - projected deaths

Figure 1. Number of premature smoking-related deaths prevented by price increase per pack of cigarettes



### Summary

The decisions that children and adolescents make about experimenting with tobacco often result in a life-long addiction. Among Alaska high school students, 21.1% are already frequent smokers. The use of tobacco begins even before high school. Alaska Native youth are disproportionately affected by tobacco. Tobacco use may be even more prevalent among youth not in school. Studies in the U.S. and Canada have clearly shown the effectiveness of increased price in reducing youth consumption.<sup>2</sup> Increasing the price by at least \$1.00 per pack would prevent many premature tobacco-related deaths among Alaska youth currently aged 0-17 years, as well as the illness and suffering that would precede the deaths.

### References

- 1992 Alaska Behavioral Risk Factor Surveillance System: 1992 Annual Report, Alaska Division of Public Health.
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4-28-97

Attn: House Judiciary Committee

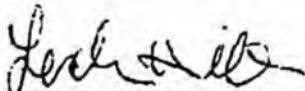
I would like to voice my opinion on the proposed tobacco tax. I believe that if we enforce the laws that are already in effect that it would curb teen tobacco use more than a dollar a pack tax.

If the law enforcement officials would treat minor tobacco possession the same way they treat minor alcohol possession. That alone would discourage most teens from smoking.

Any day of the week you can go to the mall and see young kids, teenagers hanging out smoking. They all know that its illegal for them to have tobacco. If they had a beer in thier hands instead of tobacco the police would be there in a heart beat. Instead the police drive right by and don't do a thing about it. Even though it's illegal.

It sends the wrong message to teens. This message is tobacco is bad for your health, you can't have it, but we won't stop you. How can you say this tax is to stop teen smoking when you see teenagers smoking all the time and do nothing about it.

The laws are the same possession of tobacco and alcohol is illegal for all minors. Why then don't we just enforce the laws that we already have. Don't continue to send the message that you will be punished if you drink alcohol, but we don't care if you use tobacco.



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# Citizens To Protect Kids from Tobacco

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## Position Paper on Youth Access Legislation HB79, HB159, HB189

April 28, 1997

As a coalition dedicated to the complex problem of reducing tobacco use and addiction among youth, we are gratified to see the legislature seriously consider a number of proposals to meet that goal. HB79, HB159, and HB189 all deal with the issues of enforcement and refinement of the tobacco sales laws (youth access laws). We strive to respond productively to the sponsor & committee substitutes which have been produced during the committee process. Based upon the volumes of research available through our sponsor organizations, the attached page lists our position on the measures proposed in the latest version of the bills.

We believe a variety of policy advancements must be accomplished in order to reach our goal of reducing tobacco use and addiction among youth. Enforcement of the tobacco age restrictions, addressed in HB79-158-189, is a crucial component. However, effective enforcement will take commitment of meaningful financial support throughout Alaska, which continues to prove quite difficult in this era of declining budgets.

Enforcement is only a piece of the puzzle, and must not be construed as a substitute for other vital components. That is why you hear our statewide constituency continuing to speak out so loudly about the tax increase proposal. While the issues surrounding youth access enforcement are being refined at the legislature and law enforcement is being negotiated in local communities around the state, the tobacco tax proposal is a clear-cut issue. The laws of economics require no negotiation. They simply work. Thank you.

Distributed at the request of  
Representative Con Bunde



# Citizens To Protect Kids from Tobacco

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## Position Statement on Youth Access Policy HB79, HB159, HB189

### Measures we support

- \* prohibition on sale of single cigarettes ("loosies")
- \* prohibition on sale of packs of less than 20 cigarettes ("kiddie packs")
- \* elimination of self-service display of tobacco
- \* vending machines limited to adult-only venues
- \* ID checks for purchasers who appear under age 27 (matches Federal rule)
- \* increase tobacco endorsement fee (from \$25 to \$100)
- \* endorsement revenues may be appropriated to municipal law enforcement
- \* higher graduated penalties for retailers who sell illegally to minors
- \* secure right of municipalities to tax tobacco
- \* legal for minors to participate in retail compliance checks

### Measures about which we are concerned

- \* increase legal age for tobacco possession, purchase, and use (19 to 21)

### Measures we oppose

- \* illegal for minors to participate in retail compliance checks
- \* increase criminal penalties for minors

Compliments of  
Representative Con Bunde  
State Capitol, Room 104  
Juneau, AK 99801-1182

