

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9054 SENATE STATE AFFAIRS

Table of Contents

Use Taxes to Prevent Children from Smoking	2
<i>by Jane Harman</i>	
A Tax That's Good for You	3
<i>by C. Everett Koop</i>	
Tobacco Taxes as a Public Health Measure	4
<i>by Lynne D. Richardson</i>	
How Tobacco Tax Increases Affect Revenue	7
<i>by David Sweanor, Luc Martial, and John Dossetor</i>	
Tobacco, Health, and Jobs: Issues and Realities	9
Taxes in the United States	11
<i>by Peter Fisher</i>	
Taxes Around the World	12
Taxing Other Tobacco Products	13
<i>by Gregory N. Connolly</i>	
Case Studies:	
Using Media Advocacy to Win Massachusetts Cigarette Tax Hike	15
Raising Cigarette Taxes in a Tobacco Growing Jurisdiction	18
<i>by David Sweanor, Luc Martial, and John Dossetor</i>	
Resources	20

On the cover: Illustration by Louise Britton, Atlanta, Georgia

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WORLD SMOKING & HEALTH
 Vol. 19, No. 1, 1994
 Published by the American Cancer Society, Inc.
 1599 Clifton Road, N.E.
 Atlanta, GA 30329-4251
 ISSN: 0161-7672
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Acknowledgments:
 Special thanks to Curtis Allen, John Bloom, Clifford Douglas, Richard Hamburg, Matthew Myers, David Sweanor, and Philip Wilbur for help with this issue.

The American Cancer Society is the nationwide community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives from cancer, and diminishing suffering from cancer through research, education, and service.



Use Taxes to Prevent Children from Smoking

by Jane Harman

Editor's note: Jane Harman, a member of the United States House of Representatives from the 36th district of California, presented the following testimony on cigarette excise taxes at a hearing on the financing provisions of the Clinton Administration's Health Security Act and Other Health Reform proposals before the House Ways and Means Committee, November 19, 1993.

My testimony is autobiographical. It concerns my relationship with my mother, my earliest fan and a major influence in my life.

The last time I saw my mother was August of this year. Her lung cancer and emphysema were advanced. She had lost most of her eyesight, her hair, her sense of balance, and was substantially disoriented. Yet, as always, she held a lighted cigarette in her hand.

She died two weeks later.

How typical is her story? I'm not sure. But she grew up in an immigrant family in New York—a family of modest means. She started smoking in high school at 15. She told me that

when she first inhaled it hurt. But she forgot the discomfort because it was cool to smoke.

Today, three people in each of our districts will die from cigarette smoking, just as my mother did.

And it became a major addiction. All the early photos of her showed her with a cigarette in her hand. She was rarely without one. Usually she smoked three packs a day, and the house I grew up in reeked of cigarette smoke. My father, a medical doctor, is now down to an occasional cigarette, but he smoked too.

No one spoke of health risks though my brother and I knew it was a habit we would never adopt.

When the health risks were known, and especially after my mother's cancer was diagnosed, her addiction seemed to increase. She smoked

until shortly before she died.

If my mother had grown up today in California—with its cigarette excise tax dedicated to smoking prevention—the studies tell us she would be less likely to take up smoking than when she was young.

And if my mother were to have grown up in today's Canada, where the cigarette taxes are more than \$3 per pack and Canadian teenage smoking has fallen by more than 60% from a decade ago, chances are very good that she would never take up smoking.

My youngest children are 9 and 11. I want them and millions of other American children not to take up smoking when they are 13, 14, or 15.

Without smoking, the epidemiologists tell me my mother would likely have lived another 8 years.

The Committee has already heard a litany of statistics about the dangers of cigarette smoking today. I will just tell you that today and every day, three people in each of our districts will die from cigarette smoking just as my mother did.

Despite all the rhetoric of the past week, NAFTA (the North American Free Trade Agreement) was not a moral issue. This is. ☹

A Tax That's Good for You *by C. Everett Koop*

Health-related taxes are different." That's what President Clinton said when he suggested a hefty cigarette tax—perhaps as much as \$2 a pack—as one of the ways to pay for the health care reform that most Americans know we need. He's right.

A cigarette tax is different because it helps almost everyone. A substantial cigarette tax would benefit not only the entire nation by helping to provide more accessible health care at a lower cost, but it would also benefit particular groups; smokers would benefit because it would help them to quit; nonsmokers would benefit because the air they breathe would have less harmful smoke; children would benefit because fewer kids would get hooked on cigarettes; and—if the tax is done right—even tobacco farmers could benefit. The only real losers would be the tobacco industry, which has made its profits by lying to the American people about the dangers of smoking.

But the tobacco industry lobbyists are pressuring the President to back down, to settle for a cigarette tax as low as 50 cents, and they're linking arms with tax opponents in Congress to defeat this critical part of health care reform. Now, more than ever, President Clinton needs to remember his own words—for cigarette taxes are different indeed.

Cigarette taxes are different because they are the most effective way to discourage tobacco use among young people. In Canada, where cigarette taxes have been raised to more than \$3 per pack, youth smoking rates have dropped by 60% since 1980.

Cigarette taxes are different because cigarettes kill more than 400,000 Americans each year, and rob our economy of \$68 billion a year in health care costs and lost productivity. Increasing the cigarette tax could be one of the most important public health measures this country has ever taken. Experts predict that a \$2 per pack increase would persuade millions of young people not to start smoking and would help millions of current smokers to quit. About 7.6 million Americans would choose not to smoke because of the tax.

Figuring that smoking kills about a third of all those who smoke, this tax could prevent the premature death of at least 2 million Americans alive today. No other single aspect of any health care reform plan can make so dramatic a claim. Let's not lose this unique opportunity to prolong those 2 million lives just to please the tobacco industry and its friends in Congress.

Senators and congressmen should be happy to find a tax that is actually popular. Polls show that almost 80% of Americans—Republicans and Democrats, young and old, men and

women—support a large cigarette tax. So those members of Congress elected on a "no new taxes" pledge can go along with this one. Cigarette taxes are indeed different.

Even tobacco farmers could benefit from the new cigarette tax if it is as hefty as once planned. Most tobacco farmers know the right and smart thing to do is to get out of a business that produces disease, disability, and death, and this tax can help them make the transition to the smoke-free society and smoke-free economy that lie in our future. A small percentage of the revenue from this tax could be returned to tobacco-growing states to be used to help tobacco farmers diversify. Instead of blindly opposing the \$2 cigarette tax, tobacco-state members of Congress should be fighting for their share of the pie to help move their states into the economy of the 21st century.

President Clinton says he wants dialogue on the health care reform package, and that should eventually produce the plan the nation needs. But there's already one issue on which almost everyone agrees—a major cigarette tax. Let's not let the tobacco industry make victims of the public on this one. Health-related taxes are different: they're good for you. ☺

C. Everett Koop, MD, was surgeon general from 1981 to 1989.

This article appeared in the *Washington Post* September 21, 1993.

Tobacco Taxes as a Public Health Measure

by Lynne D. Richardson

I am an emergency physician. One of the things I like best about being an emergency physician is that I frequently encounter situations where I can use my training and experience to save a life. To be able to act to save a life and to know that my failure to act correctly can cause a death is a responsibility I accepted when I chose to become an emergency physician. But it is not only physicians whose actions have life or death consequences.

Congress has an opportunity to save not just one life, as I sometimes do when on duty in the emergency department, or even hundreds of lives, as I might do in the course of my career. By your action, you can save 2 million lives and you can do it without spending a dime of taxpayers' money.

Cigarettes kill 419,000 Americans each year and addict an average of 3,000 new smokers each day. An overwhelming majority of these new tobacco addicts are in their adolescent years. When used as intended, cigarettes kill more than one of three

long-term users. Smoking is a major cause of heart disease, lung cancer, mouth and throat cancer, emphysema, chronic bronchitis, chronic obstructive pulmonary disease, low birth weight babies, strokes, and a variety of other diseases. Tobacco is a leading cause of preventable deaths, responsible for almost 20% of all deaths.

An increase in the federal excise tax is good health policy. The President's proposal to raise the cigarette excise tax by 75 cents would save 900,000 lives over time by decreasing the number of people who use tobacco and, therefore, die from tobacco-related diseases.

The opportunity also exists to save an additional 1 million lives if the tobacco tax is raised by \$2 per pack. This level of taxation would reduce the number of people who smoke by over 7.5 million and would prevent roughly 2 million premature tobacco-caused deaths over time. Each additional 25 cents of taxation beyond the proposed 75-cent increase will save approximately 200,000 lives.

Taxing tobacco is fair and is good public health policy. These taxes will:

- deter millions of children from starting to smoke and encourage many current smokers to quit;
- promote public health, save lives, and raise revenue.
- help pay for higher medical expenditures incurred through tobacco use.

Substantially increasing tobacco prices is the single most effective tool in reducing tobacco use, particularly among children and youth. However, over the past 40 years, the federal tax has been raised by a total of only 16 cents and in real dollar terms, is lower today than before we knew about the health effects of tobacco use. The tax on cigarettes has actually decreased to about 26% of the retail price (including federal, state, and local levies), from 48% in the mid-1960s.

By contrast, in other industrialized countries, the cigarette tax rate is over 66% of the total price (see page 12). By failing to keep pace, our tax policy has actually helped to encourage more people to smoke.

Over the past 10 years, our neighbors in Canada have used tax policy to secure great advances in tobacco control. According to a June 1993 report from the Canadian Department of Finance, from 1980 through 1991, federal excise levies on tobacco increased by more than 550%, whereas provincial taxes rose by more than 500%. These tax increases have had the greatest effect on youth. In 1981, 45% of Canadian male teenagers smoked, compared with 22% in 1989, a more than 50% decrease in consumption. From 1981 to 1991, overall Canadian tobacco consumption decreased by 36%. At the same time, tax revenues increased from \$2 billion to \$7.1 billion (see page 7).

Lynne D. Richardson, MD, FACEP is Associate Chief of Emergency Services at Harlem Hospital and Assistant Clinical Professor of Medicine at Columbia University College of Physicians and Surgeons, New York City. She presented this testimony on behalf of the Coalition on Smoking OR Health at a hearing on the financing provisions of the Administration's Health Security Act and Other Health Reform proposals before the Ways and Means Committee of the US House of Representatives, November 19, 1993.



The cost of tobacco use has continued to climb. The Congressional Office of Technology Assessment recently found that in 1990 the total cost of smoking to the US economy was \$68 billion, or \$2.59 per pack of cigarettes. Raising the cigarette excise tax by \$2 per pack would begin to more closely reflect the costs of this product to society.

If there was a legislative proposal for a preventive health program that would save 2 million lives, I would support its enactment if it cost \$20 billion. To enact a program that will save 2 million lives and raise over \$20 billion in revenue seems to me to be a compellingly attractive proposition.

We commend President Clinton for recognizing the health reasons for increasing the excise tax on tobacco products. While we urge you and President Clinton to increase the tax on cigarettes by \$2 a pack, President Clinton's proposal points us in the right direction.

Misconceptions about Tobacco Taxes

The tobacco industry vehemently claims that the tax will hit lower socioeconomic groups hardest. Yet, data compiled by the US Department of Agriculture show that the tobacco industry's own pricing policies are far more harmful to the pocketbooks of the poor than tobacco tax policy. The industry has raised the price of

cigarettes more than 10% per year, on average, for more than a decade.

And where does this money go?

Congress can save 2 million lives without spending money.

Ten years ago, tobacco farmers received 7% of the tobacco dollar. Today, a mere 3% benefits tobacco farmers, while over 50% goes directly to the manufacturer, generating the excessive profits needed to finance the \$4 billion in advertising and promotion each year, a disproportionate share of which is targeted to women, children, and minorities.

Further, a significant increase in the tax, by \$2 per pack, would decrease consumption by an estimated 23%, even higher in lower socioeconomic communities, freeing up much needed disposable income in those cases. The real impact of smoking on lower socioeconomic groups is the higher rates of death and disease resulting from their continued addiction to tobacco, fostered by targeted industry advertisement campaigns.

Individuals living in lower socioeconomic communities, those whom

the tobacco industry claims would be most affected by a tobacco tax increase, can least afford the health care costs associated with tobacco use and are the most underserved by the current health care system. According to an August 1993 report by the National Cancer Institute, the burden of illness and death caused by smoking is borne disproportionately by those lower income groups that often have the least access to medical care, smoking cessation programs, and information about cessation.

Another myth is the minority community's lack of support for a \$2 increase in cigarette taxes. According to a recent poll commissioned by the American Cancer Society, African-American voters (63%) are nearly as likely as white voters (66%) to support a \$2 increase.

The same poll found that Hispanic voters (71%) are more likely than white voters (66%) to support the tax. Further, a majority of low-income voters (people earning less than \$20,000) would favor a \$2 increase as well. Perhaps they know that tobacco use is responsible for 48,000 African-American deaths each year and that the lung cancer rate for African-Americans was 2.3 times higher than for whites from 1980-87.

In conclusion, substantially increasing taxation on tobacco products is sound public policy and an

Benefits of Tobacco Tax Increases

Size of Tax Increase	\$.75	\$1.00	\$1.50	\$2.00
Number Fewer Smokers	3.7 million	4.5 million	6.2 million	7.6 million
Lives Saved	900,000	1.1 million	1.5 million	1.9 million
New Revenue/Year	\$11 billion	\$14 billion	\$19.2 billion	\$25 billion

Source: Coalition on Smoking OR Health

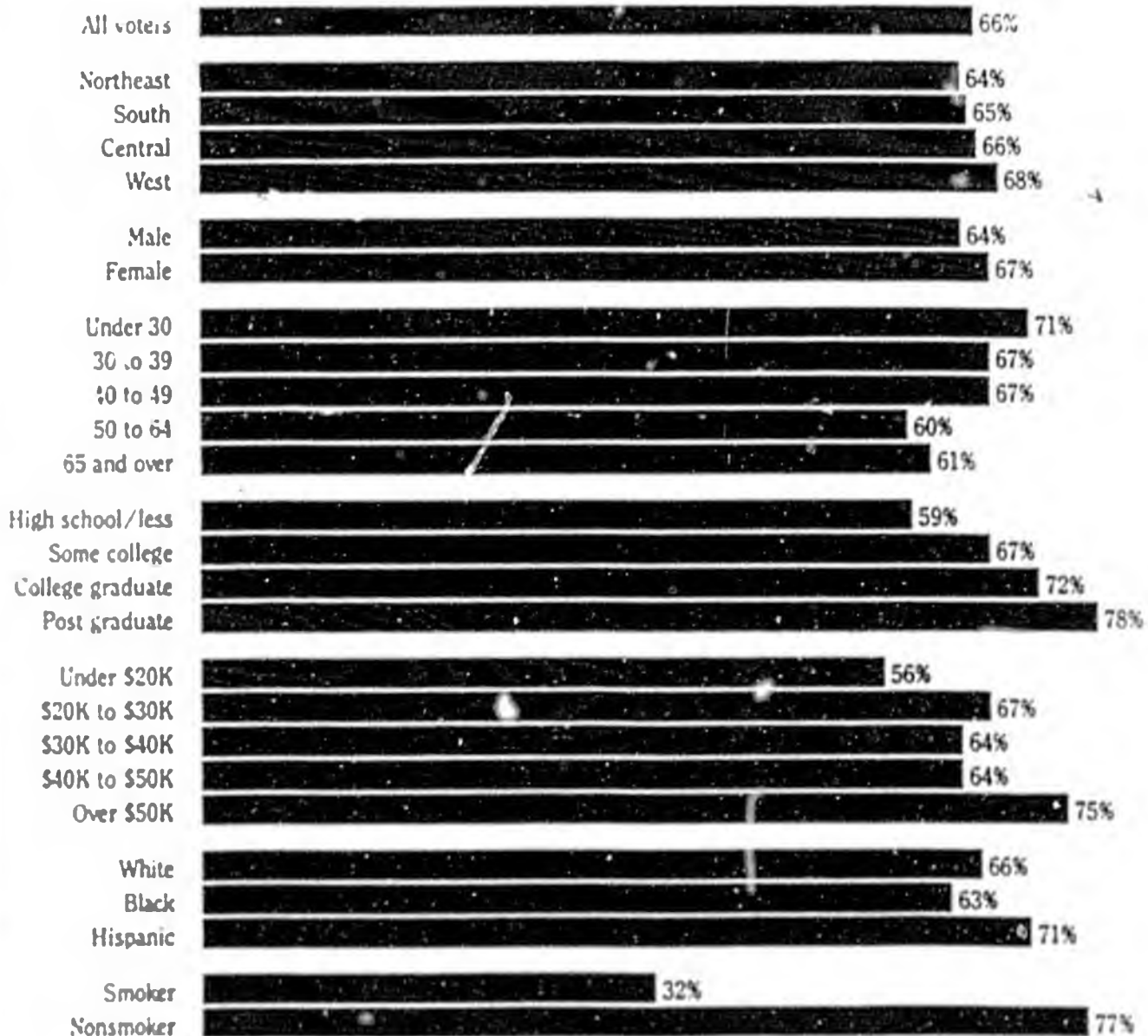


effective method of reducing consumption of tobacco products. It is an effective public policy tool for significantly reducing death and disability from various forms of cancer, cardiovascular disease, and stroke.

The American Cancer Society, the American Heart Association, and the American Lung Association and many other groups urge the Congress to raise the cigarette tax by \$2 per pack, an increase that will save nearly

2 million lives and raise well over \$20 billion each year. We also urge you to adopt the President's proposal to equalize the tax on chewing tobacco, snuff, and other tobacco products with the tax on cigarettes. ☹

Support for Cigarette Tax by Demographic Group



How Tobacco Tax Increases Affect Revenue

by David Sweanor, Luc Martial, and John Dossetor

Rarely do advocates for public health have an opportunity to propose a measure that will improve the community's health and bring in revenue at the same time. So the claim that taxes on tobacco products can greatly reduce future tobacco-related death and disease while simultaneously generating vast sums of money is often greeted with kepticism.

Questions about how taxes can both reduce sales and increase revenue are sometimes earnestly asked by interested politicians, government researchers, or reporters. At other times, the matter is raised by tobacco lobbyists as a way of spreading confusion. In either case, the evidence is worth reviewing.

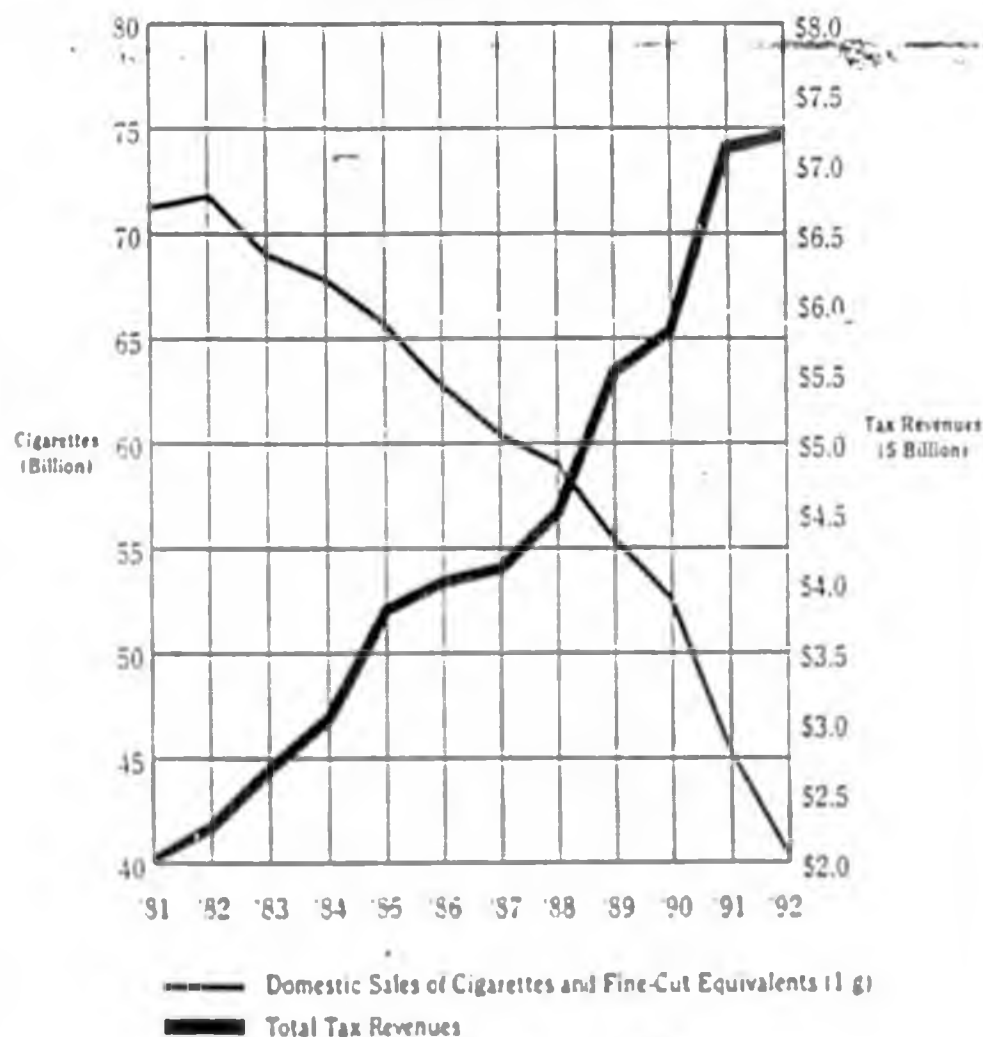
Tobacco use does not decline in the same proportion as the tax increase. Among many developed countries, there are estimates that a 10% price increase results in a 4% sales decline. So for the entire tobacco market, the net effect is that more money gets spent to buy fewer cigarettes, resulting in major health and revenue gains.

Another reason revenue increases are so substantial is that tobacco taxes constitute only one component of the retail price. For instance, a jurisdiction

with taxes constituting 30% of the retail price of cigarettes can increase its taxes by a third to achieve a 10%

price increase. Sales would then fall by about 4%, but each cigarette sold would generate a third more tax

Figure 1. Sales of Cigarettes Versus Tobacco Tax Revenue Canada 1981-1992



David Sweanor is senior legal counsel. Luc Martial, policy analyst, and John Dossetor, associate counsel, is the Non-Smokers' Rights Association, Ottawa, Ontario, Canada.

Sources: 1. Statistics Canada, Catalogue 22-633 Monthly; 2. Department of Revenue, Government of Canada.



revenue. Public health is improved and tax revenue is also pretty healthy.

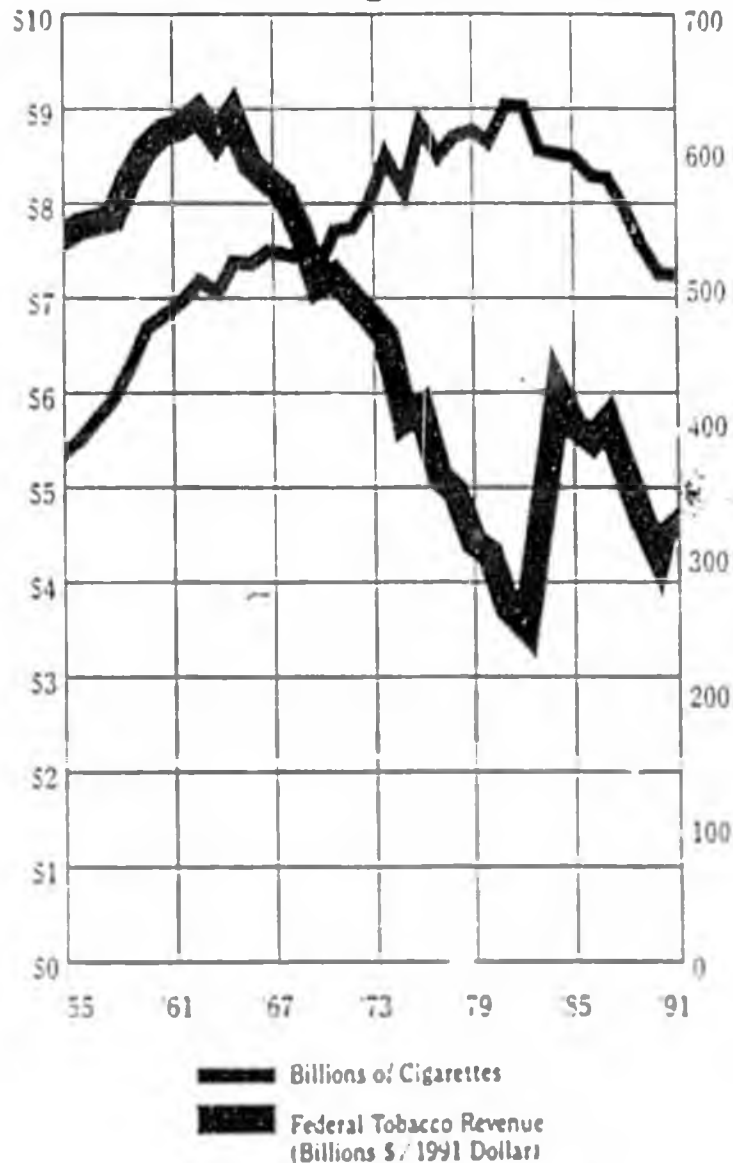
This relationship is illustrated very well by what has happened in Canada, as shown in Figure 1. At the beginning of the 1980s, Canada had a low level of tobacco taxation, similar to that currently found in the United States. Total domestic sales were over 70 billion cigarettes, and governments were generating about \$2 billion per year in taxes from tobacco products. By 1992, after a series of very large tobacco tax increases, the domestic market had plummeted to 40 billion cigarettes. But the higher taxes were generating \$7.2 billion in government revenue.

In the long run, without further tax increases, tobacco revenue can be expected to decline gradually, primarily because fewer young people will become addicted. But there is no reason that governments cannot use tobacco taxes to improve health and simultaneously increase revenue for the foreseeable future.

In fact, the failure to increase taxes will not only work against public health but will shift the burden of taxation to other goods and services as inflation erodes the taxes on tobacco. The United States provides perhaps the best example of this problem. As Figure 2 shows, the inflation-adjusted value of federal tobacco tax revenue was cut by more than half between 1963 and 1990. By not increasing taxes beyond what was already a very low level, the US government allowed the real level of tax to fall, thereby stimulating tobacco consumption and curtailing revenue.

The lessons are clear. Increased tobacco taxes help both revenue and

Figure 2. Federal Tobacco Revenues and Total Cigarette Sales



Sources: *The Tax Burden on Tobacco*, Tobacco Institute, vol. 27, 1993.

health. Failure to increase them hurts both of these goals. In so many other public health campaigns, governments have been urged to spend scarce resources to promote health. But in the case of tobacco tax policy, health advocates are in the fortunate situation of urging governments to take the most

effective action against our leading cause of preventable death and informing them that they will see a net gain in their treasuries for doing so. ☺

Excerpted from *The Canadian Tobacco Tax Experiment: A Case Study*, funded by a grant from the Thrasher Research Fund.

Tobacco, Health, and Jobs: Myths and Realities

Does the greatest threat to workers in tobacco manufacturing and growing come from government mandated health measures, like the proposed increase in the excise tax on tobacco products? Will a substantial tax increase devastate tobacco workers or the tobacco growing region? The answer is no.

Much of what has been written about the impact of health measures designed to discourage tobacco consumption on jobs in the tobacco industry is patently false. More tobacco growing and manufacturing jobs have been lost over the past decade as a result of actions by tobacco manufacturers than because of health measures such as excise tax increases.

Another popular misconception is that Price Waterhouse has issued a report projecting the number of jobs that will be lost if tobacco taxes are increased. It did not. Price Waterhouse has produced a projection of the impact of tobacco on the economy. Projections of the impact of an increase in the federal tobacco tax on jobs are entirely the work of the Tobacco Institute.

Myth: 2.3 million jobs in the United States depend on continued tobacco consumption at current levels.

Reality: Of the 2.3 million jobs claimed by the tobacco industry to depend on tobacco, only 259,616,¹ or 11%, are actually involved in growing, warehousing, manufacturing or wholesaling tobacco products.

- 1.6 million of these jobs have no involvement with growing, warehousing, manufacturing, supplying or selling tobacco products; that is, they are not in and do not serve the tobacco industry.¹

Of those who the tobacco industry states sell tobacco products at the retail level, few depend exclusively on the sale of tobacco products.²

Myth: Jobs in tobacco growing and manufacturing have declined over the last 10 years because health concerns have caused decreased tobacco production.

Reality: Cigarette production has actually increased over the past decade, but tobacco related jobs have fallen dramatically due to actions taken by the major manufacturers.

- The number of cigarettes manufactured in the United States increased during the 1980s due largely to growth in the export market.

Number of Cigarettes Manufactured in the United States³

1983—667.00 billion

1991—695.00 billion

However, even as cigarette production rose, both manufacturing and farming jobs have been lost.

- **Tobacco Manufacturing Jobs⁴ Have Decreased By 29%:**

1982—68,700 jobs

1992—49,100 jobs

19,600 jobs lost

- **The Number of Tobacco Farms⁵ Have Declined by 23%:**

1985—179,000 tobacco farms

1992—137,000 tobacco farms

42,000 fewer tobacco farms

The primary cause of job loss over the past decade has been decisions by manufacturers and not government-mandated health measures. Declines in manufacturing result from increased mechanization. Declines in tobacco growing are caused by the increased use of imported tobacco by American manufacturers.

Myth: The financial health of the tobacco farm economy rises and falls in unison with the tobacco manufacturing sector.

Reality: Over the past decade, tobacco manufacturer profits



and revenue have risen dramatically while farmers have not shared in their prosperity.

- Between 1982 and 1991, tobacco manufacturers' revenue rose from \$13 billion to \$32 billion; the IRS reports that between 1981 and 1987 tobacco manufacturers' net income (profit) rose from \$2.3 billion to \$4.4 billion. At the same time, the tobacco crop value to farmers actually decreased.⁶
- Between 1980 and 1991, the tobacco farmers' share of the retail tobacco dollar fell from 7% to 3%, while the tobacco manufacturers' share rose from 37% to 50%.⁷

Myth: An increase of one to two dollars in the tax on tobacco products will result in the loss of hundreds of thousands of jobs in the US economy.
Reality: An increase in the tobacco tax will significantly affect only a fraction of the jobs the Tobacco Institute says are at risk and will create many new jobs. Few jobs will be lost and many lives will be saved.

- Money not spent on tobacco products due to a tobacco tax increase will not disappear from the economy, but will be spent on other goods and services, creating new jobs, perhaps as many as may be lost in the tobacco industry. At worst, the net effect on the total number of jobs will be minimal.
- Two-thirds (or 1.6 million) of the jobs which the Tobacco Institute says are dependent on tobacco and, therefore, at risk, are not in the tobacco industry and thus unlikely to be affected by a tobacco tax

increase. The same is true for the jobs of those who sell tobacco at the retail level or supply materials to the industry, because only a fraction of their business depends on tobacco.

- Tobacco industry estimates of the impact of any proposed tax increase on consumption are grossly inflated. They also fail to take into account recent price decreases and the number of cigarettes exported.
- There are only 259,616 jobs involved in growing, warehousing, manufacturing, supplying, and selling tobacco products. Jobs in these fields have declined and will continue to decline even if no tax increase is enacted.
- The economic impact of a tobacco tax increase would be fairly small as a share of total economic activity even in tobacco growing areas because these regions, particularly

in North Carolina, have become less dependent upon tobacco and more diversified.⁶

- Tobacco causes death and disease, which seriously harms the economy. A reduction in tobacco use will improve productivity, reduce health care costs, and guarantee additional economic activity. 😊

Notes

1. "The Economic Impact of the Tobacco Industry on the U.S. Economy," Price Waterhouse, 1992.
2. "Economic Impact of Tobacco on the Economy," Price Waterhouse, 1990.
3. "Tobacco Situation and Outlook," US Department of Agriculture, 1992.
4. "Labstat Series Report," Bureau of Labor Statistics, US Department of Labor, January 1993.
5. Womach J, Congressional Research Service, 1985, 1992; Grise V, "Economic Importance of the US Tobacco Industry," Tobacco Situation and Outlook, April 1991.
6. "Tobacco Economies: What's Ahead," Agricultural Outlook/September 1993, US Department of Agriculture, 1993.
7. Grise V, "The Changing Tobacco User's Dollar," Tobacco Situation and Outlook, US Department of Agriculture, June 1992.



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Taxes in the United States by Peter Fisher

All 50 states, the District of Columbia, and a few local jurisdictions impose an excise tax on cigarettes. State taxes range from a high of 60 cents per pack in Hawaii (65 cents in Washington, DC) to a low of 2.5 cents per pack in Virginia. Washington state's tax, currently at 54 cents per pack, is scheduled to rise to 75 cents by 1996.

Several states raised their cigarette taxes in 1993, including Connecticut, Hawaii, Illinois, Missouri, New Mexico, New York, North Dakota, Oregon, Rhode Island, and Washington. By contrast, it has been almost 30 years since the tax increased in Virginia.

The federal tax on cigarettes now stands at 24 cents per pack, but President Clinton has proposed an increase to 99 cents in his health care plan. In addition, the President has proposed increasing the tax on smokeless tobacco products to an amount equivalent to that on cigarettes.

Forty states also tax smokeless products, most often based on the wholesale price. Illinois was the most recent state to enact a tax on these products, 20% of the wholesale price. Missouri also instituted such a tax for the first time in 1993, 10% of the wholesale price.

With increased awareness of the public health benefits of higher tobacco taxes, and the continued dire fiscal straits of most states, the recent trend toward larger increases should continue.

Although a federal tax increase would initially produce lower revenues for the states, raising taxes at the state level could offset such a decline. Even with the resultant lower consumption, there is plenty of leeway for more and

larger increases at the state level, thus saving lives and raising revenue.

For further information about

state and local tobacco taxes, contact Peter Fisher at the Coalition on Smoking OR Health. ☎

Taxes on Cigarettes and Smokeless Tobacco in the United States

	Tax on Cigarettes (in cents)	Year of Most Recent Increase	Tax on Smokeless Tobacco
Federal	24	1993	8¢ per pound
Alabama	16.5	1984	Tax based on weight†
Alaska	29*	1989	25% of wholesale price
Arizona	18	1991	\$0.02/ounce
Arkansas	31.5	1993	25% of mfr. price
California	37	1993	26.82% of wholesale price
Colorado	20	1986	20% of mfr. price
Connecticut	47	1993	20% of wholesale price
Delaware	24	1991	15% of wholesale price
Dist. of Columbia	65	1993	None
Florida	33.9	1990	25% of wholesale price
Georgia	12	1971	None
Hawaii	60	1993	40% of wholesale price
Idaho	18*	1987	35% of wholesale price
Illinois	44	1993	20% of wholesale price
Indiana	15.5	1987	15% of wholesale price
Iowa	36	1991	22% of wholesale price
Kansas	24	1985	10% of wholesale price
Kentucky	3*	1970	None
Louisiana	20*	1990	None
Maine	37	1991	50% of wholesale price
Maryland	26	1992	None
Massachusetts	51	1993	50% of wholesale price
Michigan	25*	1988	None
Minnesota	48*	1992	35% of wholesale price
Mississippi	19	1985	15% of mfr. price
Missouri	17	1993	10% of mfr. price
Montana	18	1990	13.2% of wholesale price
Nebraska	34*	1993	15% of wholesale price
Nevada	35	1989	20% of wholesale price
New Hampshire	25	1990	20.1% of wholesale price
New Jersey	40*	1990	24% of wholesale price
New Mexico	2	1993	25% of wholesale price
New York	56	1993	15% of wholesale price
North Carolina	5	1991	2% of wholesale price
North Dakota	44	1993	28% of wholesale price
Ohio	24	1992	17% of wholesale price
Oklahoma	23	1987	20% of wholesale price
Oregon	33	1993	35% of wholesale price
Pennsylvania	31	1991	None
Rhode Island	44	1993	20% of wholesale price
South Carolina	7	1977	36% of wholesale price
South Dakota	23	1985	None
Tennessee	13	1969	6% of wholesale price
Texas	41	1990	35.21% of mfr. price
Utah	26.5	1991	35% of mfr. price
Vermont	17	1993	20% of distributor price
Virginia	2.5	1966	None
Washington	54	1993	54.9% of wholesale price
West Virginia	17	1978	None
Wisconsin	38	1992	20% of wholesale price
Wyoming	12	1989	None

* Portions of tax earmarked to health and cancer research programs.

† Charging tobacco 4¢ per ounce or fraction thereof. Small based on weight.

Source: Tobacco-Free America Legislative Clearinghouse, Washington, DC; State Departments of Revenue, Bureau of Tobacco and Miscellaneous Taxes.

October 1993

Peter Fisher is state issues administrator at the Coalition on Smoking OR Health, Washington, DC.

Taxes Around The World

Taxes and Average Retail Selling Price For a Pack of 20 Cigarettes*

	Total Taxes American \$	Av. Retail Price American \$	Total Tax Incidence
CANADA (highest province) (Dollar)	\$3.59	\$4.99	72%
DENMARK (Krone)	\$3.56	\$4.20	85%
NORWAY (Krone)	\$3.24	\$4.75	68%
CANADA (av. of provinces) (Dollar)	\$2.94	\$4.27	69%
UNITED KINGDOM (Pound)	\$2.72	\$3.56	76%
IRELAND (Punt)	\$2.62	\$3.44	76%
SWEDEN (Krona)	\$2.56	\$3.50	73%
CANADA (lowest province) (Dollar)	\$2.51	\$3.80	66%
FINLAND (Markka)	\$2.27	\$3.06	74%
GERMANY (Mark)	\$2.13	\$2.99	71%
NEW ZEALAND (Dollar)	\$1.96	\$2.90	68%
FRANCE (Franc)	\$1.80	\$2.40	75%
NETHERLANDS (Guilder)	\$1.78	\$2.47	72%
BELGIUM (Franc)	\$1.75	\$2.39	73%
HONG KONG (Dollar)	\$1.50	\$2.78	54%
AUSTRALIA (Victoria) (Dollar)	\$1.42	\$2.38	60%
ITALY (Lira)	\$1.25	\$1.73	73%
JAPAN (Yen)	\$1.24	\$2.08	60%
LUXEMBOURG (Franc)	\$1.23	\$1.82	68%
PORTUGAL (Escudo)	\$1.21	\$1.54	79%
SWITZERLAND (Franc)	\$1.08	\$2.16	50%
UNITED STATES (highest state) (Dollar)	\$1.02	\$2.33	44%
ARGENTINA (Peso)	\$0.96	\$1.36	70%
GREECE (Drachma)	\$0.82	\$1.18	69%
TAIWAN (Dollar)	\$0.62	\$1.31	47%
UNITED STATES (Av. of states) (Dollar)	\$0.56	\$1.89	30%
KOREA (Won)	\$0.45	\$0.74	60%
SPAIN (Peseta)	\$0.45	\$0.67	66%
UNITED STATES (lowest state) (Dollar)	\$0.34	\$1.73	20%

* As of September 24, 1993. Source: Non-Smokers' Rights Association, Canada.

Taxing Other Tobacco Products by Gregory N. Connolly

The Clinton Administration has proposed equalizing taxes for smokeless tobacco, cigars, and smoking tobacco with the tax on cigarettes. The Administration's proposal should be supported because lower taxes on smokeless tobacco will result in many smokers switching from cigarettes to smokeless tobacco and many youngsters who would not take up snuff, dipping or chewing tobacco instead.

Use of oral snuff has already soared among young males in response to a sophisticated marketing campaign, and the most effective tool to curb use among youth is higher taxes. Moreover, the new tax will generate significant revenue to finance health care reform.

Before 1965, chewing tobacco and oral snuff were subject to a federal excise tax of 10 cents per pound. But in 1966, Congress repealed the tax, citing the decline in consumption of these products and disproportionate use by low-income persons.

In 1985, after a surge in smokeless tobacco use by teenage boys, Congress re-levied the tax on oral snuff at 24 cents per pound and on chewing

tobacco at 8 cents per pound. These rates represented a 1.8 cent tax per 1.2-ounce tin of snuff and a 1.5 cent tax per 3-ounce pouch of chewing tobacco.

The Chairman of the Senate Finance Committee stated that he would consider raising the tax again once the pending surgeon general's report on smokeless tobacco confirmed whether the product caused mouth cancer. Although the 1986 Surgeon General's Report concluded that smokeless tobacco caused cancer, Congress did not raise the tax.

Today, the tax on a tin of oral snuff is 2.7 cents and on a pouch of chewing tobacco, 2.3 cents, one-eighth the tax on a pack of cigarettes. The current tax will generate an estimated \$28.5 million in 1993 of which \$20 million will come from snuff (55.2 million pounds), and \$8.5 million from chewing tobacco (72 million pounds).

From 1980 to 1989, consumption of moist snuff increased by 57%, from 26.7 million pounds to 41.9 million pounds. Almost three-fourths of a

billion tins of snuff are sold annually. Consumption of chewing tobacco fell 12% during the same time, from 72.3 million pounds to 63.5 million pounds. Between 1970 and 1985, the use of the moist snuff increased by 30% among all Americans, but eightfold in the 17- to 19-year-old group.

Such an increase did not occur by accident, but as the result of a carefully crafted marketing strategy by tobacco companies, which use extensive point-of-purchase displays, wide distribution of free samples, and sponsorship of sports and cultural events. Skoal and Copenhagen, two brands manufactured by the United States Tobacco Company (UST), account for 90% of this increase in sales.

In 1983, to promote an easy-to-use teabag of snuff, UST introduced Skoal Bandits with a cartoon character, saying, "Take a pouch instead of a puff." The "Bandit" is a low-nicotine teaching tool that allows novices to develop tolerance to the toxic effects of the nicotine. Once a "taste" is acquired, new dippers gradually move

Changes in Tobacco Consumption 1985-1991

	Cigarettes* (Packs)	Moist Snuff* (Tins)	Chewing Tobacco* (Pouches)
1986	28,044	480	399
1991	24,201	616	363
%	-14%	+28%	-9%

*In millions.

Gregory N. Connolly, DMD, MPH, is director of the Massachusetts Department of Health's Tobacco Control Program. This article is excerpted from his testimony on behalf of the American Public Health Association and the American Dental Association before a hearing of the House Ways and Means Committee on the Health Security Act, November 18, 1991.



to the more potent and addictive brands.

The campaign has been successful. Of the estimated 10 million American users of smokeless tobacco, 3 million are under the age of 21 years. The 1990 Youth Risk Behavior Survey found that 24% of all white male high school students used smokeless

Smokeless But Not Harmless

Smokeless tobacco is not a safe alternative to cigarettes. Oral snuff, the most popular form of smokeless tobacco, is a finely ground tobacco held in the mouth next to the cheek and gum. It causes mouth cancer, gum recession, and other oral problems. A North Carolina study found that long-term users of oral snuff were 50 times more likely than nonusers to develop mouth cancer, a devastating disease that results in the loss of portions of the face and jaw. Each year 30,000 Americans develop mouth cancer, and 10,000 die from the disease. More than 40% of patients are dead within five years of diagnosis.

Use of oral snuff also causes breakdown of the gum tissue where the tobacco is held. Treatment of this problem can be painful and expensive.

Cancer-causing chemicals contained in oral tobacco include:

- Polonium 210, a radioactive particle
- Benzopyrene
- Nitrosamines, at levels 20,000 times greater than that allowed in food

Both oral snuff and chewing tobacco (cut-leaf tobacco that is chewed) contain nicotine, the drug that makes them addictive. The amount of nicotine in a tin of snuff or pouch of tobacco is 2½ times greater than that in cigarettes, making oral tobacco a very cheap source of nicotine.

tobacco at least once during the past month. A 1989 National Collegiate Athletic Association (NCAA) survey of college athletes found a 40% increase (from 20% to 28%) in the use of smokeless tobacco from 1985 to 1989. Among NCAA baseball players, an alarming 57% use smokeless tobacco.

While cigarette consumption has fallen 24% from 1982-1991, unit sales of oral snuff have increased 60%. In 1991, approximately 700 million tins of oral snuff were sold at an estimated cost of \$1.86 per tin for an estimated retail market value of \$1.3 billion, including taxes. The unit price is similar to a pack of cigarettes, \$1.71 per package in 1991. During that year, approximately 400 million pouches of plug chewing tobacco were sold at an estimated \$1.40 per pouch with an estimated retail value of \$560 million. Total smokeless tobacco sales are estimated to be \$1.86 billion for 1991.

Thirty-four states tax spit tobacco using a fixed percentage of wholesale or manufacturers' price at an average of 26%, slightly less than their rate on the manufacturers' price of cigarettes, 31%. Two states tax on weight. (See page 11.) Thirty-six states realized \$190 million in taxes in 1991 on all tobacco products other than cigarettes; this amount represented 4% of their total tobacco taxes. Unlike the federal government, these states tax spit tobacco on a basis equivalent to cigarettes. States that don't tax spit tobacco generally have very small cigarette excise taxes.

If the Administration's proposed increase in the tax on smokeless tobacco products is enacted, we can expect 1.3 million current users of these products to quit. The estimate of fewer users is based on a 2.6% decrease in the number of smokeless

users for every 10% increase in the price, a formula taken from research on cigarette smokers. Should manufacturers lower their prices as they recently have on cigarettes, fewer users will quit.

And, the tax would bring in \$750 million in new revenue.

In summary, the tax on all tobacco products should be raised significantly to finance health care reform, and we support the Administration's proposal to do so. All tobacco should be taxed equally and adjustments are needed for the proposed rates on snuff and chewing tobacco. ☹

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Case Studies

Using Media Advocacy to Win Massachusetts Cigarette Tax Hike

Editor's note: In Massachusetts, as in several other states, citizens can bypass the legislature by drafting a bill and gathering petitions to place it on a statewide ballot. Voters then decide whether the initiative will become law. Last year, the Massachusetts Division of the American Cancer Society led the effort to pass Question 1, an initiative that would raise the tobacco tax by 25 cents and recommend that new funds generated from the tax be spent on a tobacco education program.

Taking an issue directly to the voters can avoid the pervasive influence of the tobacco industry on state lawmakers. But the tobacco industry can use its money to woo voters, too. Not being able to outspend its opponent, the American Cancer Society decided to turn this disadvantage into a strength and launched a strategically superior media advocacy campaign. Following are highlights of that campaign:

Although many observers tend to equate media campaign with paid (mostly television) advertising, the American Cancer Society's media effort relied heavily on so-called free media, generated by an aggressive public relations effort.

While the tobacco industry had almost unlimited resources—the Industry's Committee Against Unfair Taxes spent about \$9 million during the campaign, about \$1.8 million of

that for paid advertising—the campaign had a comparatively modest budget of less than \$1 million. About \$300,000 could be spent on paid advertising—a fact which raised fears that the tobacco industry would overwhelm the American Cancer Society's message in an all-out TV ad blitz.

To counterbalance the expected pro-tobacco advertising edge, the campaign moved early to secure the editorial support of major news organizations around the state. Several months before the election, campaign leaders began meeting with editorial boards of major newspapers and television and radio stations, presenting their arguments for Question 1 and requesting fair coverage of campaign events as well as editorial support.

Particular attention was paid to the state's dominant newspaper, the *Boston Globe*. With a readership of about 40% of the state's voters, the *Globe* can have a major impact on virtually any statewide campaign. If the paper were to devote a significant amount of space to covering the Question 1 campaign, that exposure would go a long way toward offsetting the effects of the tobacco industry's advertising effort.

Campaign leaders also met with the editorial board of the *Boston Herald* and the daily papers in other major cities. The results were positive.

"Overall, the papers were tremendously interested in what we were doing," says Candace Pierce-Lavin, who managed the campaign. That intense interest was reflected in news coverage—free media—that allowed the campaign's message to reach a larger audience than would have been possible through paid advertising alone.

To receive news coverage, however, the campaign had to work at generating real news. The campaign held news conferences tied to key events; the events always stressed the broad-based support for Question 1 and provided the press with a specific news peg, such as the record-breaking number of signatures the campaign had gathered. The campaign also publicized major endorsements, such as the one from former surgeon general C. Everett Koop.

Along the way, the campaign used its share of gimmicks, including a Kids Press Conference that featured a parade of youngsters and an old-fashioned political campaign rally. Most of these events received fairly good news coverage, as did the campaign-supplied weekly updates of the enormous sums of money the tobacco industry was spending.

The campaign designated a team of speakers led by Dr. Blake Cady, Division president, to debate the tobacco industry's spokesmen in as many public forums as possible. These



debates received solid media coverage that likewise helped offset the opposition's enormous advertising advantage.

Throughout the campaign, the tobacco industry's chief spokesman was Jack Flood, a former state representative and past chairman of the legislature's Taxation Committee. Although Flood enjoyed credibility with the public on tax-related issues, the campaign continually stressed that he was being paid by the tobacco industry for all his debates and public appearances—a fact that greatly reduced his credibility on the issue at hand.

Cady and Flood crossed swords several times. By the campaign's end, Flood's association with the tobacco industry had significantly hurt his ability to sway an audience—or the attendant reporters.

The industry also suffered from the controversy that arose when it was revealed that a political activist who helped the ACS during its signature drive had been hired to handle media work by the Committee Against Unfair Taxes. The coalition seized on every

such opportunity to attack the opposition's credibility — and, by contrast, to enhance its own.

A final element of the campaign's media effort was emphatically nontraditional: an effort to jawbone major television outlets into reducing the amount of airtime they would sell to the well-monied opponents of Question 1. Arguing that the public interest would be hurt if the tobacco industry were allowed simply to "buy" the election, campaign leaders asked the general managers of Boston television stations to limit the number of industry-sponsored ads they would air.

Given the sour economy—which had already caused painful cutbacks at all the Boston stations—it's not clear that such an appeal to good government instincts would ever have been totally successful. But the campaign, wary about pressing the issue too sharply and risking a public confrontation that might have created bad publicity, did not wage an all-out pressure campaign.

The Coalition's limited effort did yield some results: one Boston station imposed a firm limit on the purchase

of airtime related to Question 1, and another provided a substantial number of free airings for the Coalition's Vote Yes on Question 1 commercial. Nonetheless, the tobacco industry still enjoyed a significant advantage in commercial airtime for its ads, an advantage it would use to narrow the Coalition's considerable lead in the public opinion polls.

Campaign leaders later agreed that the organizers of future campaigns would probably benefit from taking a consistently hard-nosed approach in battles over television time.

At every opportunity, the pro-tobacco Committee Against Unfair Taxes sought to take advantage of public cynicism about the politicians on Beacon Hill. The central theme of the tobacco industry's campaign stressed that the money raised from the increased cigarette tax could not legally be earmarked for tobacco control. Because these funds were "subject to appropriation by the legislature," Flood and others maintained that the taxpayers' money would once again be wasted by the profligate spenders in the State House.

Doonesbury

BY GARRY TRUDEAU



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This anti-tax theme formed the basis of the tobacco industry's first television ad, which concentrated so thoroughly on the tax issue that it never mentioned the words *cigarette* or *smoking*. Clearly the opposition understood that Massachusetts voters heavily favored measures to reduce cigarette consumption; their only chance of victory lay in getting voters to see Question 1 not as a public health issue, but as just another tax hike.

As the campaign progressed, however, the opposition began airing several other commercials, which lacked the tight anti-tax focus of its earlier TV spot.

By contrast, the American Cancer Society campaign continued to hammer away at a few clearly defined strategic themes. The campaign's television commercial, produced by Marttila & Kiley, clearly identified the tobacco industry as the principal opponent of Question 1 and noted the decline in cigarette consumption that followed passage of Proposition 99 in California.

The ad then identified the American Cancer Society as the sponsor of the referendum question and asked voters, "So—who are you going to vote for?" The tag line, "Question 1. It's about saving lives" also framed the issue clearly in terms of public health.

The ad—which opened with a striking montage of cigarette packages arranged as tombstones—proved both memorable and effective. A tracking poll taken two weeks after the commercial's debut found that 40% of the state's voters remembered it, an extremely high percentage given the strictly limited airtime the campaign had been able to purchase.

Still, the campaign's leaders knew that they could not rely on TV



advertising alone to carry home their message. The month before election day, campaign officials held another round of editorial board meetings, soliciting pre-election endorsements. An overwhelming majority of the state's news organizations (including the same stations that refused to curtail their sales of airtime to the opponents of Question 1) did come out in favor of the referendum's passage.

Coupled with continuing appearances by Cady and the other ACS speakers on the talk show circuit, as well as widespread distribution of the campaign's brochure, the media endorsements helped bring the campaign's message to a wide audience. So too did a grassroots effort to provide local visibility with volunteers holding roadside signs and other campaign gear.

But the opposition's ad blitz, despite its lack of focus, unquestionably had an effect. By mid-October, tracking polls showed support for Question 1 had dropped to 58%.

Two days before the election, at the urging of John Marttila and Tom Kiley, the campaign took out a full-page ad in most of the state's daily papers, which ran the day before the election. The ad again portrayed the



And, The State, Columbia, SC

referendum campaign as a fight between the American Cancer Society and the tobacco industry and documented the effectiveness of the cigarette tax hike in California. The ad also carried a long list of individuals and groups that had endorsed Question 1, to stress the broad-based nature of the campaign's support.

The same day, a major insurance company in the Coalition took out its own ad in several papers, also urging support of Question 1. For good measure, the campaign ran its full-page ad again on Election Day in a number of big city dailies.

The total cost of the campaign's print advertising blitz was almost \$100,000. With the race closing rapidly, this proved to be money well spent.

Final returns showed the voters of Massachusetts approved Question 1 by a margin of 54% to 46%. In the end, the backers of Question 1 had been outspent but not out-campaigned; they made their case directly to the people of Massachusetts, and the voice of the people rang out loud in agreement. ☐

Excerpted from *Raising the Tobacco Tax: The Campaign for Question 1 in Massachusetts*, prepared for the American Cancer Society by the staff of Marttila & Kiley, Inc., Boston, MA.

Raising Cigarette Taxes in a Tobacco Growing Jurisdiction

by David Sweanor, Luc Martial, and John Dossetor

Because Canada grows more tobacco per capita than the United States, the tobacco farmers can be a powerful lobby, particularly in Ontario where the vast majority of Canada's tobacco is raised. In fact, Ontario's tobacco tax was traditionally as low as those in such tobacco belt states as North Carolina, Kentucky, and Virginia.

Since Ontario has by far the largest population of any Canadian province, the low tax on tobacco kept Ontario's consumption high, which in turn inflated national tobacco consumption. Ontario's low-tax policy also made it more difficult for other provinces to raise taxes.

By 1984, tobacco taxes in Ontario had reached 50 cents (Canadian) a pack, mainly because of an indexing system that automatically increased the tax.

When the government changed in 1985, the politician who emerged with control over the provincial budget was from Ontario's tobacco belt. His long history of supporting tobacco growers and opposing tobacco taxes meant a strong possibility the province's tobacco tax would not be increased and there was even a risk of a rollback.

This politician remained in charge of the budget until 1990. Yet during his five-year tenure, we obtained the two largest tobacco tax increases the

province had ever seen. The tobacco taxes in Ontario did not fall—they doubled.

With the next change in government in 1990, the increases continued. By 1992, the tobacco tax in this major tobacco growing jurisdiction had reached \$1.30 per pack of 20 cigarettes.

How this was done provides a lesson in the creative use of simple economic concepts.

The arguments

Sometimes politicians can be motivated solely by the magnitude of the health problem caused by tobacco use.

Sometimes a simple comparison of the number of lives lost to tobacco and the number of people the tobacco industry employs will sufficiently show the absurdity of placing the financial well-being of tobacco growers above the health of the entire population. Our experience is that these arguments, as well as the estimates of increased government revenue (see page 7), should virtually always be used.

But sometimes the issue calls for a direct analysis of the impact of higher taxes on tobacco farmers. In such an analysis, two facts are important:

- Tobacco leaf constitutes only a very small part of the cost of cigarettes (the average cigarette contains less than one gram of tobacco).



"RAISE THE CIGARETTE TAX? DON'T THESE POOR FOLKS HAVE ENOUGH TROUBLE?"



- A tax increase in a tobacco growing jurisdiction will affect only the proportion of locally grown tobacco consumed in that area. (In other words, how much Virginia tobacco do Virginians smoke?)

For Ontario, figures showed that about half the 170 million pounds of tobacco produced there was sent out of the country. We then estimated, based on sales figures, that about a third of national tobacco consumption took place in Ontario. This left about 29 million pounds, or only 17% of the crop actually consumed in Ontario, — it would be directly impacted by a -x increase.

We then looked at what would happen to these tobacco sales were the tax increase we advocated actually implemented. This meant determining the percentage decline in consumption and applying this percent to the amount of the crop purchased in the province. At that time cigarettes were still cheap, about two Canadian dollars per pack, and we were seeking an increase of 15 cents in the tax per pack, giving us a price increase of about 7.5%. Using estimates of price sensitivity, we calculated that this increase would reduce tobacco consumption by about 3%.

This 3% decline in Ontario's tobacco consumption would theoretically reduce the demand for locally

The government would forego \$10 million a year for each tobacco farmer kept in business.

grown tobacco leaf by about 860,000 pounds, only 0.5% of local tobacco production. We calculated the potential loss of revenue to Ontario's tobacco growers by multiplying this decline in sales by the current price for tobacco. Sales would be reduced by about \$1.5 million, which translated into about 13 average sized tobacco farms going out of business.

But the revenue numbers showed that a tax increase of this size would raise an additional \$130 million. This meant the government would forego \$10 million every year for each tobacco farmer kept in business. We charac-

terized the low tobacco tax as the most expensive, least efficient farm support scheme in national history. We didn't hesitate to remind policymakers of the additional disease, death, and teenage addiction, associated with promoting higher levels of consumption.

We made the point that keeping tobacco taxes down to "help tobacco farmers" was simply unjustified in economic as well as health terms. Far better that politicians who want to assist these farmers should support higher tobacco taxes but simultaneously take some part of the additional money raised to assist tobacco growing areas find alternative sources of revenue.

The case was clear cut and the logic of it constantly reiterated in our quest for health-oriented tobacco taxation. And it worked: taxes went up, consumption went down, tax revenue increased, and assistance was given to tobacco farmers to adjust to lower consumption levels. ☺

Excerpted from *The Canadian Tobacco Tax Experiment: A Case Study*, 1993, funded by a grant from the Thrasher Research Fund.

Resources

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The Impact of Cigarette Excise Taxes on Smoking Among Children and Adults: Summary Report of a National Cancer Institute Expert Panel. August 1993. Produced by the Division of Cancer Prevention and Control of the National Cancer Institute, this report reviews the literature on the effectiveness of taxation as a public health measure.

The Canadian Tobacco Tax Experience: A Case Study. August 1993. A study by the Non-Smokers' Rights Association (Canada) and the Smoking and Health Action Foundation (Canada) explaining the strategies used in Canada to raise taxes on cigarettes. The report also documents the effects of the higher taxes on consumption and revenue. Made possible through a grant from the Thrasher Research Fund. Available from the NSRA, Suite 300, Ottawa, Ontario, Canada K1P 5M9; fax: 613-230-9454.

Taxes on Tobacco Products: A Health Issue. December 1992. A report by the European Bureau for Action on Smoking Prevention (BASP) undertaken at the request of the Commission of the European Communities. Written in English, French, and German, this publication gives an overview of issues involved in tobacco taxation, shows current tobacco taxes and prices in Europe, and recommends further actions.

UICC Tobacco Control Fact Sheet 4. March 1993. Published by the Tobacco and Cancer Programme of the International Union Against Cancer (UICC), this summary contains recommendations for the key elements of an effective pro-health tobacco tax policy. Available from UICC, 3, Rue du Conseil-General, 1205 Geneva, Switzerland.

Saving Lives and Raising Revenue. The Coalition on Smoking OR Health's 23-page overview of why tobacco tax increases are needed in the US. Available from the Coalition

Tobacco Industry Employment: A Review of The Price Waterhouse Economic Impact Report and Tobacco Institute Estimates of "Economic Losses from Increasing the Federal Excise Tax." September 1993. A critique of the tobacco industry's predictions of the effects of increasing the tobacco tax, prepared by Arthur Andersen Economic Consulting. Avail-

able from the Coalition on Smoking OR Health.

Highlights from an American Cancer Society Survey of US Voter Attitudes Toward Cigarette Smoking. Results of a national poll conducted by Marttila & Kiley on the cigarette excise tax and other tobacco control measures. Available from the American Cancer Society.

American Cancer Society Tobacco Tax Policy Project/Coalition on Smoking OR Health. Fact sheets, articles, testimony, poll results, case studies, and other resources on state and federal tobacco taxes. Contact:

American Cancer Society
316 Pennsylvania Avenue
Suite 200
Washington, DC 20003
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Coalition on Smoking OR Health
1150 Connecticut Avenue, NW
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A Tax That's Good for You by C. Everett Koop

Health-related taxes are different." That's what President Clinton said when he suggested a hefty cigarette tax—perhaps as much as \$2 a pack—as one of the ways to pay for the health care reform that most Americans know we need. He's right.

A cigarette tax is different because it helps almost everyone. A substantial cigarette tax would benefit not only the entire nation by helping to provide more accessible health care at a lower cost, but it would also benefit particular groups; smokers would benefit because it would help them to quit; nonsmokers would benefit because the air they breathe would have less harmful smoke; children would benefit because fewer kids would get hooked on cigarettes; and—if the tax is done right—even tobacco farmers could benefit. The only real losers would be the tobacco industry, which has made its profits by lying to the American people about the dangers of smoking.

But the tobacco industry lobbyists are pressuring the President to back down, to settle for a cigarette tax as low as 50 cents, and they're linking arms with tax opponents in Congress to defeat this critical part of health care reform. Now, more than ever, President Clinton needs to remember his own words—for cigarette taxes are different indeed.

Cigarette taxes are different because they are the most effective way to discourage tobacco use among young people. In Canada, where cigarette taxes have been raised to more than \$3 per pack, youth smoking rates have dropped by 60% since 1980.

Cigarette taxes are different because cigarettes kill more than 400,000 Americans each year, and rob our economy of \$68 billion a year in health care costs and lost productivity. Increasing the cigarette tax could be one of the most important public health measures this country has ever taken. Experts predict that a \$2 per pack increase would persuade millions of young people not to start smoking and would help millions of current smokers to quit. About 7.6 million Americans would choose not to smoke because of the tax.

Figuring that smoking kills about a third of all those who smoke, this tax could prevent the premature death of at least 2 million Americans alive today. No other single aspect of any health care reform plan can make so dramatic a claim. Let's not lose this unique opportunity to prolong those 2 million lives just to please the tobacco industry and its friends in Congress.

Senators and congressmen should be happy to find a tax that is actually popular. Polls show that almost 80% of Americans—Republicans and Democrats, young and old, men and

women—support a large cigarette tax. So those members of Congress elected on a "no new taxes" pledge can go along with this one. Cigarette taxes are indeed different.

Even tobacco farmers could benefit from the new cigarette tax if it is as hefty as once planned. Most tobacco farmers know the right and smart thing to do is to get out of a business that produces disease, disability, and death, and this tax can help them make the transition to the smoke-free society and smoke-free economy that lie in our future. A small percentage of the revenue from this tax could be returned to tobacco-growing states to be used to help tobacco farmers diversify. Instead of blindly opposing the \$2 cigarette tax, tobacco-state members of Congress should be fighting for their share of the pie to help move their states into the economy of the 21st century.

President Clinton says he wants dialogue on the health care reform package, and that should eventually produce the plan the nation needs. But there's already one issue on which almost everyone agrees—a major cigarette tax. Let's not let the tobacco industry make victims of the public on this one. Health-related taxes are different; they're good for you. ☺

C. Everett Koop, MD, was surgeon general from 1981 to 1989.

This article appeared in the *Washington Post* September 21, 1993.

ADN Dec 4 1995

Youth who smoke

Good reasons for cracking down

At first thought, given the myriad other concerns society has about young adults these days, cigarette smoking may seem innocuous. But Anchorage Police patrolman Mike Livingston is passionate about tobacco: He doesn't like to see kids get hooked on it.

He's got good reason for his concern. Nearly 84 percent of adult Alaskans who smoke started between the ages of 10 and 20, according to a survey by the state Division of Public Health.

Officer Livingston, whose full-time job is to deal with tobacco infractions, described some of his work Tuesday at the town meeting on violence.

He routinely tickets teens when he finds them smoking. Many times, he says, kids and parents alike whine, "Why aren't you out catching murderers?"

He's got two good answers:

If we take care of the small stuff, there won't be so much of the big stuff to take care of. And if we just stand by and watch kids smoke tobacco and don't do anything about it, they get the impression that we don't care.

There's a side benefit in issuing citations to minors in possession of tobacco. Some are juveniles with outstanding warrants, runaways, and teens who have been assaulted; in one case a teen who escaped from custody got caught when he lit up in front of Officer Livingston.

Livingston sees a couple of problems with Anchorage's handling of underage smokers. Some busy magistrates routinely dismiss the tobacco tickets Livingston so determinedly issues. That would be less likely to happen if youths could pay their tickets without going to court in cases where they don't contest the citation.

With the strong belief that it is more efficient to go after the supplier than the purchaser, Officer Livingston would like to be able to make "compliance checks" on stores. That involves getting juveniles (with parental consent) to go into stores and attempt to buy tobacco products. An undercover police officer waits nearby until the transaction is completed, then issues the merchant a citation.

For some reason, Livingston says, our police are not allowed to do this now. Explanations vary; some worry that if police ask kids to buy cigarettes, they're asking them to do something illegal. But the result is that nobody is going after vendors who sell tobacco to children.

If we're serious about preventing the sale of tobacco to minors, this inaction is inexcusable. There are plenty of good legal minds in the state; surely somebody can see through the smoke and find a way to put the fear of the law into those who would peddle poison to our youth.

The Almanac

Teen Smoking

Average age when people first try cigarette smoking: 14.5.

Percent of teen smokers who wouldn't smoke if they were given the chance to do things differently: 70.

Of the 80 percent of teen smokers who want to quit, percent who have succeeded: 1.2.

Percent of the time U.S. minors were successful in buying tobacco from vending machines placed where minors were prohibited: 77.

Of the 3,000 young people who every day become regular smokers, number who will eventually die as a result of their smoking: Nearly 1,000.

Years of life lost by the average smoker who dies from smoking: 12-15.

Estimated percent reduction in new teen smokers for every 1 percent increase in cigarette taxes: 1.

Number of years since Alaska's excise tax on cigarettes was changed: 6.

Sources: Alaska Tobacco Control Alliance; U.S. Department of Health and Human Services; American Lung Association of Alaska.

ADN Dec 4 1995

SB 210/SB 234 - TOBACCO TAX

SB 234 - Tobacco Taxes

By Senate Rules by Request of LRFPC
Referred STA, JUD, FIN

Increases excise tax on cigarettes from current 12 mils to graduated scale of 62 mils through 6/30/99, to 86 mils plus additional 12 mils each three year period after 6/30/2005. Also increases excise tax on smokeless tobacco from current 25 percent of wholesale to 100%.

	<u>School Fund</u>	<u>CF</u>
<u>Current tax = \$.29</u>	<u>\$.05</u>	<u>\$.24</u>
10/1/96 = \$1.29	\$.05	\$1.24
7/1/99 = \$1.53	\$.05	\$1.48
7/1/02 = \$1.77	\$.05	\$1.72
7/1/05 = \$2.01	\$.05	\$1.96

** = pre-statehood basis
of 2.5 mils/pack to schools*

SB 210 - Tobacco Tax

By Sen. Ellis
Referred to STA, FIN

Identical to SB 234; further adds a CPI tax adjustment where warranted and provide a public notice of change.

Both bills have an effective date of 10/1/96.

Am
3/13

SENATE STATE AFFAIRS COMMITTEE MEETING
THURSDAY, MARCH 14, 1996

SB 210 - Tobacco Tax

By Sen. Ellis (with CPI Adjustment and tobacco products included)

In File: Sponsor Statement

Tobacco Tax in Alaska - Leg. Research report 6/95
Cigarette Tax increases re: SB 210 by Jack Chenoweth

Fiscal Note: Department of Revenue= \$63.6 expenses;
\$33,426.0 revenues (FY97)

SB 234 - Tobacco Tax

By the Long Range Financial Planning Commission
(without CPI adjustment and "other tobacco products" included.)

Fiscal Note: Department of Revenue= \$63.6 expenses;
\$33,426.8 revenues (FY97)

ALSO NOTE: A packet of detailed information is also provided to all members with American Cancer Society information, statistics, correspondence regarding subject and Tobacco industry position paper on House Bill 431 (counterpart to SB 234)

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Alaska State Legislature

Senator Al Adams

WHILE IN SESSION
State Capitol
Juneau, Alaska 99801-1182
(907) 465-3707
Fax 465-4821

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3880

Official Business

March 19, 1996

TO: Sen. Bert Sharp, Chair
Senate State Affairs Committee

FROM: Sen. Al Adams *AA*

RE: SB 256--Scheduling Request

I would appreciate it if you would schedule SB 256 for a hearing in the State Affairs Committee.

Under current law, mayors of second class cities are elected by the elected city council members themselves. SB 256 would create the option of a second class city passing an ordinance that would allow for the election of the mayor by the voters rather than the city council members.

This legislation was initially requested by the City of Savoonga, and the concept was endorsed by the Alaska Municipal League Conference held last fall in Valdez.

Thank you for your consideration of this request.

SENATE COMMITTEE REPORT

DATE: 3/20/96

FURTHER:

DATE TURNED INTO OFFICE: 4/2/96

The State Affairs Committee considered SENATE BILL NO. 256

Relating to the offices of mayor and mayor pro tempore of a second class city.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

same title
new title

House Bill:

same title
technical change
new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Duncan</i>	✓	<i>Wants only</i>	✓		
<i>Roll E. Gray</i>	✓	<i>Bob Gray</i>	✓		
<i>Loren J. Lewis</i>	✓				
CHAIR:					

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
<i>CERA</i>	<i>3/20/96</i>	0	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 1
Bill Version: 00
(S) Publish Date: 3-20-96

Revision Date: February 20, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to the offices of mayor and BRU: none
and mayor pro tempore of a second class ... Component: none
 Sponsor: Sen. Adams
 Requestor: Senate C&RA COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)
 Under current statutes, mayors of second class cities are elected from the elected council members by the council members themselves. This legislation would create the option of a second city passing an ordinance that would provide for the election of the mayor by city voters rather than the council. DCRA staff would certainly be involved in assisting cities understand, and perhaps implement, this option. The department would also likely prepare informational materials to educate cities about this option. However, these efforts would be absorbed by existing departmental staff and resources. The department anticipates no significant fiscal impact as a consequence of this legislation.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 485-4708
 Division: Division of Administrative Services Date: 2/20/96
 Approved by Commissioner: Mike Dwan Date: 2/20/96
 Agency: Community & Regional Affairs

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Alaska State Legislature

Senator Al Adams



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Kotzebue, Alaska 99752
(907) 442-3880

March 19, 1996

TO: Sen. Bert Sharp, Chair
Senate State Affairs Committee

FROM: Sen. Al Adams *AAK*

RE: SB 256--Scheduling Request

I would appreciate it if you would schedule SB 256 for a hearing in the State Affairs Committee.

Under current law, mayors of second class cities are elected by the elected city council members themselves. SB 256 would create the option of a second class city passing an ordinance that would allow for the election of the mayor by the voters rather than the city council members.

This legislation was initially requested by the City of Savoonga, and the concept was endorsed by the Alaska Municipal League Conference held last fall in Valdez.

Thank you for your consideration of this request.

Resolution of the Alaska Municipal League

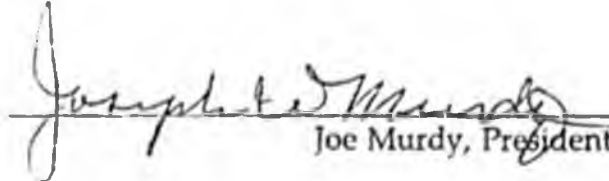
Resolution No. 96-7

RESOLUTION SUPPORTING AN AMENDMENT TO AS TITLE 29
TO GIVE AN OPTION TO SECOND CLASS CITIES
TO PERMIT THEIR MAYOR TO BE ELECTED DIRECTLY BY VOTERS

WHEREAS, the Alaska Municipal League supports the policy of providing municipalities with the maximum flexibility and local control in the exercise of municipal powers; and

WHEREAS, under current law, the mayor of a second class city must be elected from and by the council and may not be elected directly by the voters,

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League supports amendments to AS Title 29 that will permit second class cities the choice of whether to elect the mayor directly by the voters or to continue to elect the mayor from and by the council.


Joe Murdy, President

ATTEST:


Kevin C. Ritchie, Executive Director

Post-it® Fax Photo	7871	Date	3-12-96	# of pages	1
To	MAIL	From	Tuliz		
Co./Dept.	SO - Adams	Co	AML		
Phone #		Phone #	586-1325		
Fax #	465-4821	Fax #	467-5480		

**WALRUS CAPITAL OF THE WORLD
SAVOONGA, ALASKA**



CITY OF SAVOONGA
PO BOX 87
SAVOONGA, ALASKA 99769
PHONE 984-6614

NOVEMBER 22, 1995

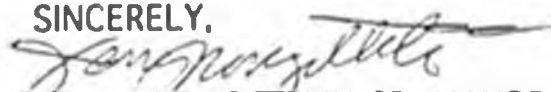
TO: SENATOR AL ADAMS
ALASKA STATE LEGISLATIVE
STATE CAPITOL
JUNEAU, AK.
99801-1182

SUBJECT: RESOLUTION AMENDMENT
TITLE 29 CHANGES

DEAR SENATOR ADAMS,

ENCLOSED PLEASE FIND A RESOLUTION NO. 96-01 AS PASSED DURING THE
ALASKA MUNICIPAL LEAGUE CONFERENCE AT VALDEZ, ALASKA.
IF THIS RESOLUTION NEEDS TO BE INTRODUCED TO THE STATE LEGISLATIVE
I WOULD VERY MUCH APPRECIATE IF YOU WOULD SUPPORT IT AND
INTRODUCE IT AS WELL. THANK YOU.

SINCERELY,


JERRY WONGITTILIN SR. MAYOR
CITY OF SAVOONGA

C.C: REP. RICHARD FOSTER
LT. GOVERNOR FRAN ULMER

Introduced by : City of Savoonga, Alaska
Date: November 13, 1995

Resolution of the Alaska Municipal League

Resolution No. 96-01

A RESOLUTION SUPPORTING AN AMENDMENT TO AS TITLE 29
TO GIVE AN OPTION TO SECOND CLASS CITIES
TO PERMIT THEIR MAYOR TO BE ELECTED
DIRECTLY BY THE VOTERS.

WHEREAS, the Alaska Municipal League supports the policy of providing municipalities with the maximum of flexibility and local control in the exercise of municipal powers, and

WHEREAS, under current law, the mayor of a second class city must be elected from and by the council and may not be elected directly by the voters,

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League supports amendments to AS Title 29 that will permit second class cities the choice of whether to elect the mayor directly by the voters or to continue to elect the mayor from and by the council.

This resolution was approved for submission to the Alaska Municipal League membership by the governing body of City of Savoonga, Alaska on November 09, 1995.

as to which any pretended exercise of discretion would have been in legal essence arbitrary and wrongful and thus unlaw-

ful. *Reherd v. Manders*, 66 F. Supp. 520 (D. Alaska 1946).

Collateral references. — 56 Am. Jur. 2d, *Municipal Corporations, Counties, and Other Political Subdivisions*, §§ 231-336.

Sec. 29.20.230. Election and term of mayor. (a) The mayor of a borough or first class city is elected at large. The mayor of a borough or first class city serves a term of three years, unless by ordinance a different term not to exceed four years is provided. The current term of an incumbent mayor may not be altered. The regular term of a mayor of a borough or first class city begins on the first Monday following certification of the election.

(b) The mayor of a second class city is elected by and from the council, and serves until a successor is elected and qualifies. The council of a second class city shall meet on the first Monday after certification of the regular election and elect a mayor who takes office immediately. The mayor of a second class city serves a one-year term, unless a longer term is provided by ordinance. The mayor of a second class city may serve only while a member of the council regardless of the term established for the office of mayor.

(c) Except by ordinance ratified by the voters, no limit may be placed on the total number of terms or number of consecutive terms a mayor may serve. (§ 7 ch 74 SLA 1985)

Sec. 29.20.240. Qualifications for the office of mayor. (a) A voter of the municipality is eligible to hold the office of mayor in a borough or first class city. A member of the city council is eligible to hold the office of mayor in a second class city.

(b) Residency requirements for the office of mayor not exceeding three years may be prescribed by ordinance. (§ 7 ch 74 SLA 1985)

Sec. 29.20.250. Powers and duties of mayor. (a) If a municipality has not adopted a manager plan of government, the mayor is the chief administrator and the mayor has the same powers and duties as those of a manager under AS 29.20.500.

(b) The mayor may take part in the discussion of a matter before the governing body. The mayor may not vote, except that the mayor of a first class city or the mayor of a borough with a manager form of government may vote in the case of a tie. The mayor of a second class city, as a council member, may vote on all matters. (§ 7 ch 74 SLA 1985)

Sec. 29.20.260. Executive absence. The borough mayor, subject to assembly approval, shall designate a person to act as mayor during the borough mayor's temporary absence or disability. If a manager plan has been adopted, the assembly shall designate by resolution a borough administrative official to act as manager during the manager's absence or disability. (§ 7 ch 74 SLA 1985)

Sec. 29.20.270. Veto. (a) Except as provided in (c) — (e) of this section, the mayor may veto an ordinance, resolution, motion, or other action of the governing body and may strike or reduce appropriation items.

(b) A veto must be exercised before the next regular meeting of the governing body and must be accompanied by a written explanation of the reasons for the veto. A veto may be overridden by vote of two-thirds of the authorized membership of the governing body within 21 days following exercise of the veto, or at the next regular meeting, whichever is later.

(c) The veto does not extend to

- (1) appropriation items in a school budget ordinance;
- (2) actions of the governing body sitting as the board of equalization or the board of adjustment;
- (3) adoption or repeal of a manager plan of government.

(d) The mayor of a second class city has no veto power.

(e) The veto does not extend to an ordinance adopted under AS 04.11.498. This subsection applies to home rule and general law municipalities. (§ 7 ch 74 SLA 1985; am §§ 13, 14 ch 80 SLA 1986)

Collateral references. — 56 Am. Jur. 62 C.J.S., Municipal Corporations, 2d, Municipal Corporations, Counties, and § 421.
Other Political Subdivisions, § 360. Passing bill over veto. 2 ALR 1593.

Sec. 29.20.280. Vacancy in the office of mayor. (a) The governing body shall, by two-thirds concurring vote, declare the office of mayor vacant only when the person elected

(1) fails to qualify or take office within 30 days after election or appointment;

(2) unless excused by the governing body, is physically absent for 90 consecutive days;

(3) resigns and the resignation is accepted;

(4) is physically or mentally unable to perform the duties of office;

(5) is convicted of a felony or of an offense involving a violation of the oath of office;

(6) is convicted of a felony or misdemeanor described in AS 15.56;

(7) is convicted of a violation of AS 15.13;

(8) no longer physically resides in the municipality; or

(9) if a member of the governing body in a second class city, misses three consecutive regular meetings and is not excused.

(b) A vacancy in the office of mayor occurring six months before a regular election shall be filled by the governing body. The person appointed serves until the next regular election when a successor is elected to serve the balance of the term. If a member of the governing body is appointed mayor, the member shall resign the seat on the governing body. If a vacancy occurs more than six months before a regular election, the governing body shall call a special election to fill the unexpired term.

(c) Notwithstanding (b) of this section, a vacancy in the office of mayor of a second class city shall be filled by and from the council. A mayor appointed under this subsection serves the balance of the term to which appointed, except the mayor may serve only while a member of the council. (§ 7 ch 74 SLA 1985)

Article 4. Boards and Commissions.

Section
300. School boards
310. Utility boards

Section
320. Other boards and commissions

Sec. 29.20.300. School boards. (a) Each municipal school district has a school board. Except as provided in (b) of this section, members of a school board are elected at the regular election for three-year terms and until their successors take office. Members are elected at large unless a different method of election has been approved by the voters in a regular election.

(b) The assembly is the school board for a third class borough. The mayor is the presiding officer of the assembly and president of the school board. However, the mayor may not veto an action of the school board. (§ 7 ch 74 SLA 1985)

Cross references. — For further provisions relating to school boards, see AS 14.14

Collateral references. — 56 Am. Jur. 2d, Municipal Corporations, Counties, and Other Political Subdivisions, §§ 231-336.

Sec. 29.20.310. Utility boards. (a) The governing body of a municipality operating a public utility may provide by ordinance for a utility board of five members and define the board's powers and duties.

(b) As determined by ordinance, members of a utility board are either appointed by the mayor and confirmed by the governing body or are elected at a regular election. The term of a utility board member is two years and until a successor is selected and qualifies. However, the governing body may by ordinance provide for a different term not to exceed four years. The current term of an elected incumbent may not be altered.

SB

266

Revision Date: February 9, 1996 Dept. Affected: Revenue
 Title: Croamor's Field Goose Classic BRU: Revenue Operations
 Component: Charitable Gaming Division
 Sponsor: Senators Frank, Sharp
 Requestor: Senators Frank, Sharp COMPONENT SERIAL NO. 1883

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
----------------------	--	--	--	--	--	--

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

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 (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Charitable Gaming Division does not anticipate any fiscal impact.

Prepared by: Dennis R. Poshard, Director *Dennis R. Poshard* Phone: 465-2279
 Division: Charitable Gaming Division Date: 2/9/96
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: 2/9/96
 Agency: Department of Revenue

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SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/7/96

FURTHER:

Date of 5-Day Notice: 2/8/96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/22/96

The State Affairs Committee considered SB 266

Relating to the Creamer's Field Goose Classic.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
CHAIR: <i>[Signature]</i>		CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Revenue	2/9/96	0	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

Alaska State Legislature

STEVE FRANK

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701
(907) 452-3421



While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 417

Senate

TO: Senator Bert Sharp, Chairman
Senate State Affairs Committee

FROM: Senator Steve Frank, Co-Chair
Senate Finance Committee

RE: Hearing Request

DATE: February 7, 1996

I am writing to request a hearing for SB 266, "An act relating to the Creamer's Field Goose Classic" at your earliest possible convenience.

This legislation would amend AS 05.15.690(19) to include the Friends of Creamer's Field among those who could operate and administer a goose classic.

There has not been a goose classic in Fairbanks to date due to the fact that the Fairbanks Montessori Association has found that the operations are too much for its small volunteer organization to handle. By amending the statute to allow the Friend's of Creamers field to operate a classic, the two entities can work together to successfully operate a goose classic.

Thank you for you consideration.

Alaska State Legislature

STEVE FRANK

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701
(907) 452-3421



While in Juneau
P.O. Box V
Juneau, Alaska 99801
(907) 465-3709
Capitol Rm. 417

Senate

SPONSOR STATEMENT

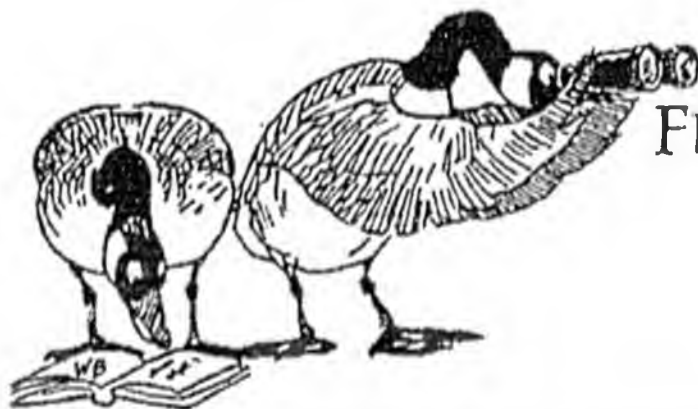
SB 266 - "An Act relating to the Creamer's Field Goose Classic"

SB 266 would amend AS 05.15.690(19) to include the Friend's of Creamers Field among those who could operate and administer a goose classic.

A goose classic is much like the Nenana Ice Classic in that prize money would be awarded for the closest guess of the date and time of arrival of the first goose to Creamer's Field in the spring.

Currently the Fairbanks Montessori Association is the only group allowed to put on a goose classic in the Fairbanks area. They have not been able to operate and administer a classic since its creation simply because the Montessori Association found that it was too much for their small volunteer organization to handle. By allowing the Friends of Creamer's field to operate and administer a classic the two entities can share the responsibility and work together to successfully operate a goose classic.

Thank you for your consideration.



Friends of Creamer's Field

1300 College Road
Fairbanks, Alaska 99701-1599

907-452-5162

Memorandum

To: Senator Steve Frank and Senator Bert Sharp

From: Sara McDaniel, Vice President
Friends of Creamer's Field

Date: February 12, 1996

Subject: SB266

Sara McDaniel

The Friends of Creamer's Field Board has met and discussed organizing an annual Goose Classic with Fairbanks Montessori Association. We support this venture and believe that a Goose Classic could benefit us both. Thank you for submitting SB266.

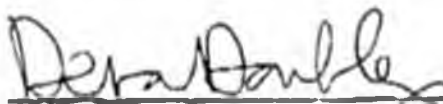
FAIRBANKS MONTESSORI ASSOCIATION**RESOLUTION 96-01****Relating to Changing Our Exclusive Right
to the Creamer's Field Goose Classic**

Whereas the Fairbanks Montessori Association wishes to change the exclusive right to hold the Creamer's Field Goose Classic to share equally the responsibilities and rewards of this event with the Friends of Creamer's Field, the Board of Directors of the Fairbanks Montessori Association hereby resolves that:

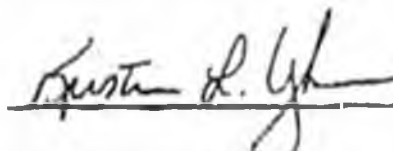
The Association requests that the State Legislature change the gaming law that gives Fairbanks Montessori Association the exclusive right to hold the Creamer's Field Goose Classic, to include equal involvement in the Creamer's Field Goose Classic between the Fairbanks Montessori Association and the Friends of Creamer's Field. Furthermore, it is understood that if the Legislature approves of said change, the Fairbanks Montessori Association and Friends of Creamer's Field will apply for a Multi-beneficiary Permit (MBP) in order to establish and operate the Creamer's Field Goose Classic.

Passed and approved on this day, Feb 7, 1996.

By a majority of the Board of Directors of the Fairbanks Montessori Association, and attested to by:



Dena Doublex, President



Kristie Yunker, Director



FAIRBANKS MONTESSORI SCHOOL

Movement - A Home for Children

Kristie Yunker, Director

February 12, 1996

Dave Lambert
Alaska Dept. of Fish and Game
1300 College Road
Fairbanks, AK 99701

RE: Goose Classic

Dear Dave,

As I mentioned on the telephone, we at Fairbanks Montessori are thrilled about the prospect of reviving the idea of a Goose Classic in Fairbanks, and sharing it with the Friends of Creamer's Field is a wonderful way to benefit both our groups. We are great admirers of the work that the Friends of Creamer's Field are doing with one of Fairbanks' most beautiful landmarks. Considering that education is a primary goal of both bodies, it seems right and proper that we combine our energies and resources in this way to provide income to both organizations.

I am faxing over some information about the school, and the Board Resolution that states our association's desire to change the state legislation giving FMA exclusive rights to hold the Goose Classic. We understand that a Senate bill has been introduced to that effect and we are hopeful that it will pass and that we can then begin the real work of getting this unique fundraiser off the ground.

I will arrange for members of our board to meet with interested members of your's for a planning meeting later this week. Thank you for your considerable efforts thus far, and hope to see you soon.

Sincerely,

Kristie L. Yunker,
Executive Director

Friends of Creamer's Field

MEMBERSHIP BENEFITS

- A subscription to the "Field Notes" Newsletter, published 4 times a year.
- Advance notice of all educational programs, workshops, and other activities.
- Access to our extensive natural history library.
- The opportunity to join with other Friends in creating, developing, promoting or presenting educational programs and other activities.

EDUCATIONAL PROGRAMS AND ACTIVITIES

- Fifth grade Bird Watch
- Curious about Creamer's lecture series
- Volunteer Naturalist and Visitor Center Training Program
- Owling Night
- Creepy Critters Halloween Program
- Christmas Open House
- Spring Open House
- Natural History Courses
- Volunteer Naturalist Walks
- Educational Workshops



Fieldnotes NEWSLETTER

- Information about "Friends"
- Notices of events
- Kids Chatter activity page
- Natural history articles
- Historical tidbits
- Special interest articles

FARMHOUSE VISITOR CENTER

Hours:

Summer

Tuesday - Friday 10:00 a.m. to 5:00 p.m.

Saturday 10:00 to 3:00 p.m.

Winter

Saturday noon to 4:00 p.m.

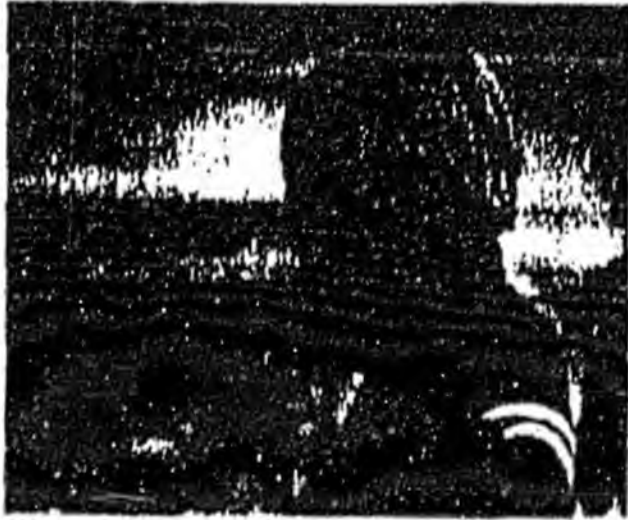
Displays:

- Creamer's Dairy History
- Animals
- Bird Migration Routes

Sales:

Field guides, track cards, notecards, artwork, logo items, books, T-shirts, songbird tapes and other educational products focusing on the refuge. All proceeds support programs and activities on the Refuge.





THE IMPORTANCE OF THE EARLY YEARS

In *The Absorbent Mind*, Dr. Montessori wrote, "The most important period of life is not the age of university studies, but the first one, the period from birth to the age of six. For that is the time when man's intelligence itself, his greatest implement is being formed. But not only his intelligence; the full totality of his psychic powers . . . At no other age has the child greater need of an intelligent help, and any obstacle that impedes his creative work will lessen the chance he has of achieving perfection."

Recent psychological studies based on controlled research have confirmed these theories of Dr. Montessori. After analyzing thousands of such studies, Dr. Benjamin S. Bloom of the University of Chicago, wrote in *Stability and Change in Human Characteristics*, "From conception to age 4, the individual develops 50% of his mature intelligence; from ages 4 to 8 he develops another 30% . . . This would suggest the very rapid growth of intelligence in the early years and the possible great influence of the early environment on this development."

Like Dr. Montessori, Dr. Bloom believes that "the environment will have maximum impact on a specific trait during that trait's period of most rapid growth." As an extreme example, a starvation diet would not affect the height of an eighteen year-old, but could severely retard the growth of a one year-old baby. Since eighty percent of the child's mental development takes place before he is eight years old, the importance of favorable conditions during these years can hardly be over emphasized.

SENSITIVE PERIODS

Another observation of Dr. Montessori's, which has been reinforced by modern research, is the importance of the sensitive periods for early learning. These are periods of intense fascination for learning a particular characteristic or skill, such as going up and down steps, putting things in order, counting or reading. It is easier for the child to learn a particular skill during the corresponding sensitive period than at any other time in his life. The Montessori classroom takes advantage of this fact by allowing the child freedom to select individual activities which correspond to his own periods of interest.

AT WHAT AGES?

Although the entrance age varies in individual schools, a child can usually enter a Montessori classroom between the ages of two and one half and four, depending on when he can be happy and comfortable in a classroom situation. He will begin with the simplest exercise based on activities which all children enjoy. The equipment which he uses at three and four will help him to develop the concentration, coordination and working habits necessary for the more advanced exercises he will perform at five and six. The entire program of learning is purposefully structured. Therefore, optimum results cannot be expected either for a child who misses the early years of the cycle, or for one who is withdrawn before he finishes the basic materials described here.

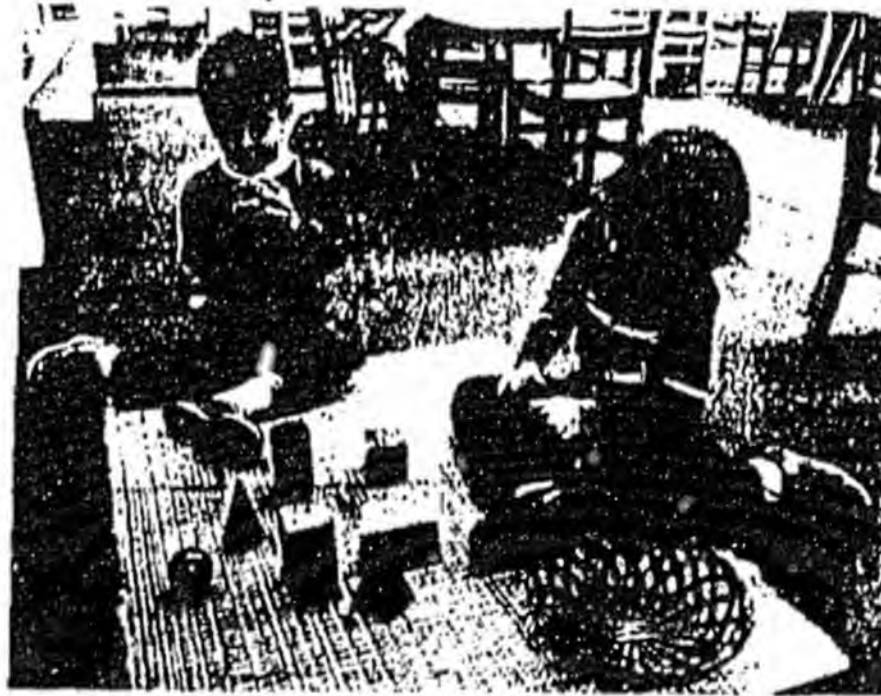
Parents should understand that a Montessori school is neither a baby-sitting service nor a play school that prepares a child for traditional kindergarten. Rather, it is a unique cycle of learning designed to take advantage of the child's sensitive years between three and six, when he can absorb information from an enriched environment. A child who acquires the basic skills of reading and arithmetic in this natural way has the advantage of beginning his education without drudgery, boredom or discouragement. By pursuing his individual interests in a Montessori classroom, he gains an early enthusiasm for learning, which is the key to his becoming a truly educated person.

FAIRBANKS MONTESSORI SCHOOL
2014 30th Avenue
Fairbanks, AK 99701

No. 1 The Purpose of Montessori Education

Dr. Maria Montessori believed that no human being is educated by another person. He must do it himself or it will never be done. A truly educated individual continues learning long after the hours and years he spends in the classroom because he is motivated from within by a natural curiosity and love for knowledge. Dr. Montessori felt, therefore, that the goal of early childhood education should not be to fill the child with facts from a preselected course of studies, but rather to cultivate his own natural desire to learn.

In the Montessori classroom this objective is approached in two ways: first, by allowing each child to experience the excitement of learning by his own choice rather than by being forced; and second, by helping him to perfect all his natural tools for learning, so that his ability will be at a maximum in future learning situations. The Montessori materials have this dual long-range purpose in addition to their immediate purpose of giving specific information to the child.



HOW THE

The use of the materials aptitude for learning which Dr. Montessori called "the mind." In her writings she frequently refers to the child as a sponge. It literally absorbs information. This process is particularly evident in the child who learns his native language, without conscious, tedious effort which would be required by the tongue. Acquiring information through activity for the young child is a natural process in his interesting surroundings.

Since the child retains this information almost seven years old, Dr. Montessori felt that the child could be enriched by a classroom which would demonstrate that by sixty years of experience have learned to read, write and calculate to walk and talk. In a Montessori classroom the child is invited to do this at his own period.

Dr. Montessori always considered herself a teacher of the child. In order to be the best way a child can learn to do some task he is performing, the child's doodling is a remnant of this. In a Montessori classroom allows the child to be invited to use his hands.



IE CHILDREN LEARN

is based on the young child's unique
 r. Montessori identified as the "absorbent
 frequently compared the young mind to a
 information from the environment. The
 tent in the way in which a two year-old
 without formal instruction and without the
 ich an adult must make to master a foreign
 ion in this way is a natural and delightful
 who employs all his senses to investigate

his ability to learn by absorbing until he is
 . Montessori reasoned that his experience
 ssroom where he could handle materials
 asic educational information to him. Over
 ve proven her theory that a young child can
 late in the same natural way that he learns

essori classroom the equipment invites
 ods of interest and readiness.
 mphasizes that the hand is the chief
 er to learn there must be concentration,
 concentrate is by fixing his attention on
 g with his hands. (The adult habit of
 practice.) All the equipment in a Montes-
 ild to reinforce his casual impressions by
 for learning.



FEB 12 '96 04:30PM ADFRG WTLDLIFE CONSERVATION FILES

Program Hours

Preschool Hours - 9:00 AM - 11:30 AM

1:00 PM - 3:30 PM

Extended Day - 9:00 AM - 3:30 PM

Full Day - 7:30 AM - 6:00 PM

Program Tuition

5 Day Preschool - \$220.00

3 Day Preschool - \$145.00

Extended Day - \$415.00

5 Full Days - \$475.00

3 Full Days - \$295.00

2 Full Days - \$205.00

The Montessori Program

Basic Philosophy

Maria Montessori, born in Italy in 1870, became the first female doctor in her country's history. She dedicated her life to working with and for children, and developed a system of education that is now used throughout the world in preschool, elementary and secondary schools bearing her name and operating under her principles.

The Montessori method allows children to develop as unique individuals at their own pace. Curriculum is in-depth, structured and designed around the child's own natural desire to learn. We believe that in creating an enthusiasm for learning, we are helping children to build upon their own creativity.

Our primary curriculum takes advantage of the 3-6 year olds natural ability to absorb information, directing them to increasingly challenging concepts in reading, math, geography, biology, art and music. Our kindergarten-age children attend regular pre-primary classes in the morning, then an additional period of kindergarten-age activities. This time is used for extended work in math, language, science and geography, music and movement areas.

All teachers are certified Montessori teachers, and some have elementary teaching degrees as well. The school is a parent-run organization and all parents are encouraged to participate in school activities.

FEB 12 '96 05:04PM MONTESSORI 4524972 -3718

FEB 12 '96 04:38PM AIRPG WILDLIFE CONSERVATION/FB/S

Post-It® Fax Note	7671	Date	# of pages ▶
To	ALLI	From	DAVID LAMBERT
Co./Dept.		Co.	FRIENDS OF CREAMER'S
Phone #	465-4714	Phone #	454-7304
Fax #	451-9495	Fax #	452-6410

Membership Application



Providing all these services and planning for future educational programs is quite a challenge. We hope you will show your support and join us as a member.

Every Friend counts!

I am pleased to:

- Become a member of Friends
- Renew my membership
- Send a gift membership to:

NAME: _____

ADDRESS: _____

CITY: _____

STATE: _____ ZIP: _____

Gift Membership from: _____

- Student \$5.00
- Individual \$15.00
- Family \$30.00
- Contributing \$50.00
- Donor \$100.00
- Founder \$200.00
- Life \$500.00

Membership are for one year ending in May. Please make checks payable and send to:

Friends of Creamer's Field
1300 College Road
Fairbanks AK 99701-1599

Friends of Creamer's Field



Friends of Creamer's field is an all volunteer community based, nonprofit organization dedicated to providing educational opportunities at Creamer's Field Migratory Waterfowl Refuge in cooperation with the Alaska Department of Fish and Game.

Creamer's Field Migratory Waterfowl Refuge is an important island of wildlife habitat in the heart of the Fairbanks community. Come visit the refuge and learn about the natural history of Alaska's interior.

Friends of Creamer's Field
1300 College Road
Fairbanks, Alaska 99701-1599
452-5162

SB

273

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 273

Revision Date: March 20, 1996 Department: Commerce and Economic Development
 Title: An Act relating to Native handicrafts and other BRU: Trade and Development
articles made in the state. Component: Trade and Development
 Sponsor: Sen. G. Lincoln
 Requestor: (S) STA COMPONENT SERIAL NO. 2056

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	18.0					
SUPPLIES	2.0					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	18.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	18.0					
1006 GF/MHTIA						
Other						
TOTAL	18.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS

POSITION TYPE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Expenses to be incurred by implementation of Senate Bill #273 will be for printing and distribution of the poster. The Department of Commerce and Economic Development will design the poster. We anticipate the poster will be multi-color and show four Alaska Native artists making their handicraft. Each will be identified by name and village. The Institute of Alaska Native Art has agreed to provide the photos without charge. The written comments required by the legislation will appear below the photographs. The objective is to make the poster aesthetically pleasing as well as fulfill the intent of the legislation. It is anticipated that 10,000 posters will meet the demand for posters over the next five years. Expenditures will be one-time in the inception year.

Prepared by: Charles McGee, Development Specialist Phone: 269-8112
 Division: Trade & Development Date: March 20, 1996
 Approved by Commissioner: William L. Hensley *Guy Bellor* Date: 3/20/96
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 273

ANALYSIS: (continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for SB 273

Detail of Expenditures

Contractual Services		18.0
Printing 10,000 posters	12.0	
Postage for mailing posters	4.0	
Supplies		2.0
Shipping containers for posters	2.0	
Total		18.0

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 273

Revision Date: March 26, 1996 Department: Commerce and Economic Development
 Title: An Act relating to Native handicrafts and other BRU: Trade and Development
 Articles made in the state. Component: Trade and Development
 Sponsor: Sen. G. Lincoln
 Requestor: Senate State Affairs COMPONENT SERIAL NO. 2056

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	16.0					
SUPPLIES	2.0					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	18.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	
----------------------	--

CHANGE IN REVENUES	
--------------------	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	18.0					
1006 GF/MHTIA						
Other						
TOTAL	18.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 Silver Hand Program receipts will be used to cover the expenses of Senate Bill 273. The sources of the receipts that will pay for printing and distribution of the poster will be:

1. The Silver Hand Program receipts
 - A. Fines levied by state and federal enforcement agencies for violations against Silver Hand Program and Native arts and crafts violations;
 - B. Contributions solicited to support the printing of the poster; and,

Prepared by: Charles McGee, Development Specialist Phone: 262-8112
 Division: Trade & Development Date: March 26, 1996
 Approved by Commissioner: William L. Hensley Date: 3-26-96
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 273

ANALYSIS: (continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for SB 273

C. Other funds the division is able to raise through the Silver Hand Program.

2. Federal and/or Foundation Grants

The Department of Commerce and Economic Development will design the poster. We anticipate the poster will be multicolored and show four Alaska Native artists making their handicraft. Each will be identified by name and village. The Institute of Alaska Native Art has agreed to provide the photographs without charge. The written comments required by the legislation will appear below the photographs. The objective is to make the poster aesthetically pleasing as well as fulfill the intent of the legislation.

Detail of Expenditures

Contractual Services		16.0
Printing, 10,000 posters	12.0	
Postage for mailing posters	4.0	
Supplies		2.0
Shipping containers for posters	2.0	
Total		18.0

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 273

Revision Date: _____ Dept. Affected: Department of Law
 Title: "An Act relating to Native handicrafts and other BRU: Criminal Division
articles made in the state." Component: Criminal Division
 Sponsor: Senator Lincoln
 Requester: Senate State Affairs COMPONENT SERIAL NO. 2085

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill amends AS 45.65, dealing with handicrafts, to add new sections that: (1) require that a person who sells an authentic Native handicraft at retail shall display an 11 by 17 inch poster advising of the authenticity of Native handicrafts; (2) that require an authentic Native handicraft sold at retail must be accompanied by a written certificate of origin, if the handicraft has a retail fair market value of \$100 or more; (3) that prohibit the alteration of an article of handicraft for business reasons by a person other than the maker of the article; and, (4) prohibit a person from removing a state authorized handicraft seal or emblem from an article of handicraft, unless the seal or emblem is removed by the person who made the article or is removed by a person who purchased the article for the person's personal use. A violation of these provisions would be punishable as a class B misdemeanor. The bill will probably not have a fiscal impact for the Department of Law, because the number of violations is expected to be small.

Prepared by: Richard T. Penney, Director Phone: 465-3672
 Division: Administrative Services Department Date: 3/18/96
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/18/96
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: SB 273

Revision Date: 3/18/96 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to Native handicrafts and other articles made in the state BRU: none
 Sponsor: Senator Lincoln Component: none
 Requestor: Senate State Affairs COMPONENT SERIAL NO. none

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ()						
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GE Match						
1004 GE						
1005 GE/Program Receipts						
1006 GE/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 96) impact \$ none

POSITIONS:

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

ANALYSIS (Attach a separate page if necessary)

This bill will have no fiscal impact on the department.

Prepared By Remond Henderson *Remond Henderson* Phone: 465-4708
 Division Director, Div. of Administrative Services Date: 3/18/96
 Approved by Commissioner Mike Irwin *Mike Irwin* Date: 3/18/96
 Agency Mike Irwin, Dept. of Community & Reg. Affairs

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Made in
BALI

NCE 1977

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(Mailing Address)

Date 07-19-94

PURCHASED BY (Please Print)

Mailing Address

Name JOHN M. CLYBURN

Address _____

City _____ State _____ Zip _____

Telephone () _____ home () _____ work _____

Purchased at:

_____ Ave. (Main Gallery)

_____ Ave.

(907) _____ FAX (907) _____

Anchorage
(907) _____ FAX (907) _____

Other _____

FH

Toll Free (outside Alaska) (800) _____

SHIP To (When paid, if other than purchaser)

Name _____

Address _____

City _____ State _____ Zip _____

Prepaid freight \$ _____

Ship freight collect _____

Major airport _____

Estimated Shipping _____

Exact name on Credit Card _____

Sold By	Cash	Check	Visa/MC	Discover	Amex	Diners	Other	Card #	Exp. date
<i>Legal</i>									
Inv. #	Qty.	Artist	Title				UNR	FR	Total
		PAUL	PRINT - WOODHULL						2000 -
			SOUTH EASTERN ALASKA						
			POSSIBLE TRIP TO ALASKA						
			HIND - (PRINT)						
Discount if applicable									

*Shipping charges will be C.O.D.

All Sales Final. No Cash Refunds

Merchandise Credit Will Be Issued

letter of authenticity needed

Shipments: All artwork shipped from _____ Fine Art is fully insured for the amount of purchase. Please allow 2 to 3 weeks for delivery. (4 - weeks for out-of-town personal check transactions.) If merchandise does not arrive in good condition, please notify the gallery and the freight company that made the delivery. Please save all packing materials until an inspection can be made. Special orders and framing orders may take longer.

The client understands the _____ Arts may void the transaction and issue a full refund due to unavailability, increased costs, delays, and other events beyond their control. By way of this invoice, Stephen Fine Arts does not appraise the above described artwork. There are no expressed or implied warranties.

CHANGE OF ADDRESS.

Old Address _____

Now Address _____

Special Instructions _____

(Office Use Only)

SHIPPING

COD

PREPAID

Shipping Date Requested _____

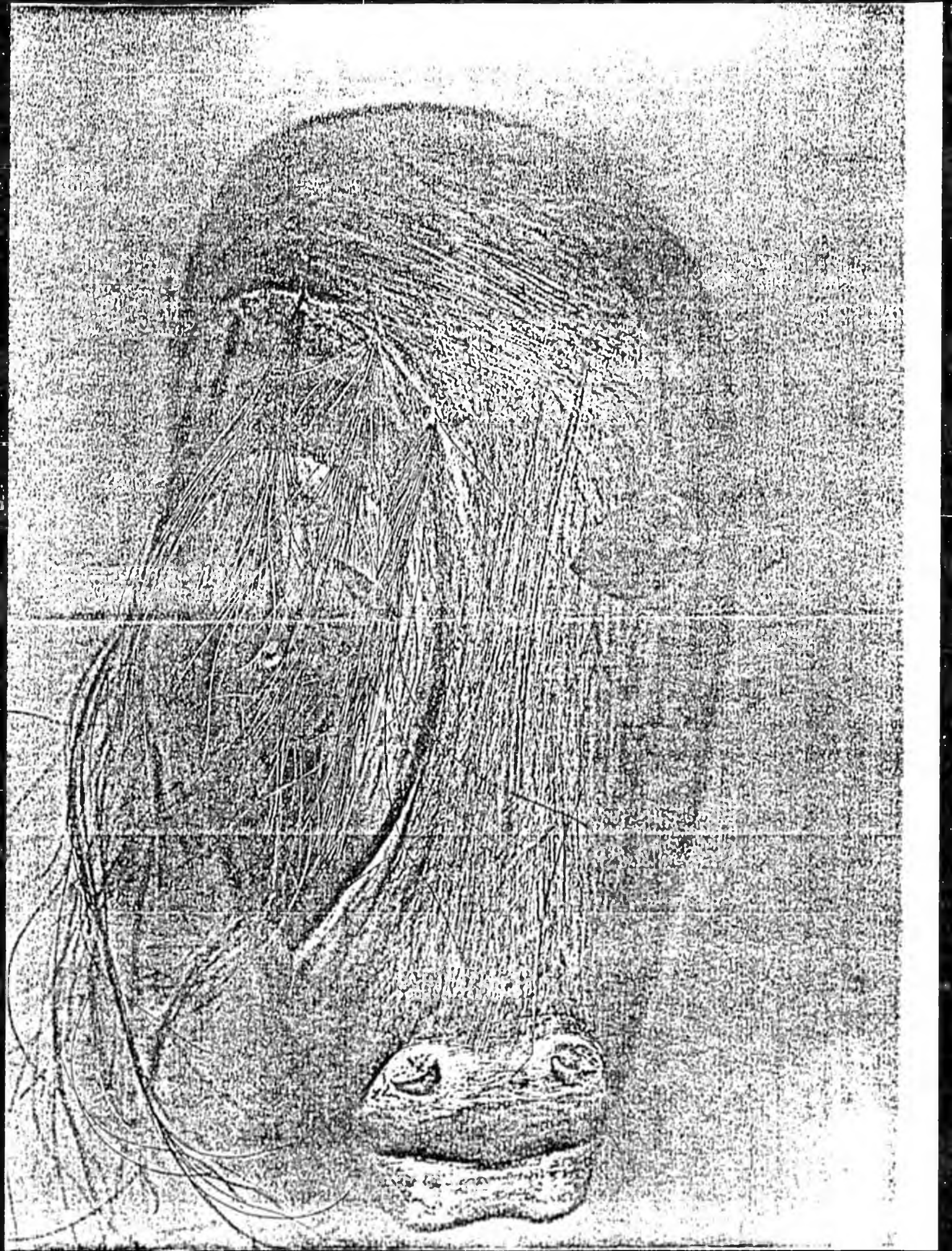
Date Shipped _____

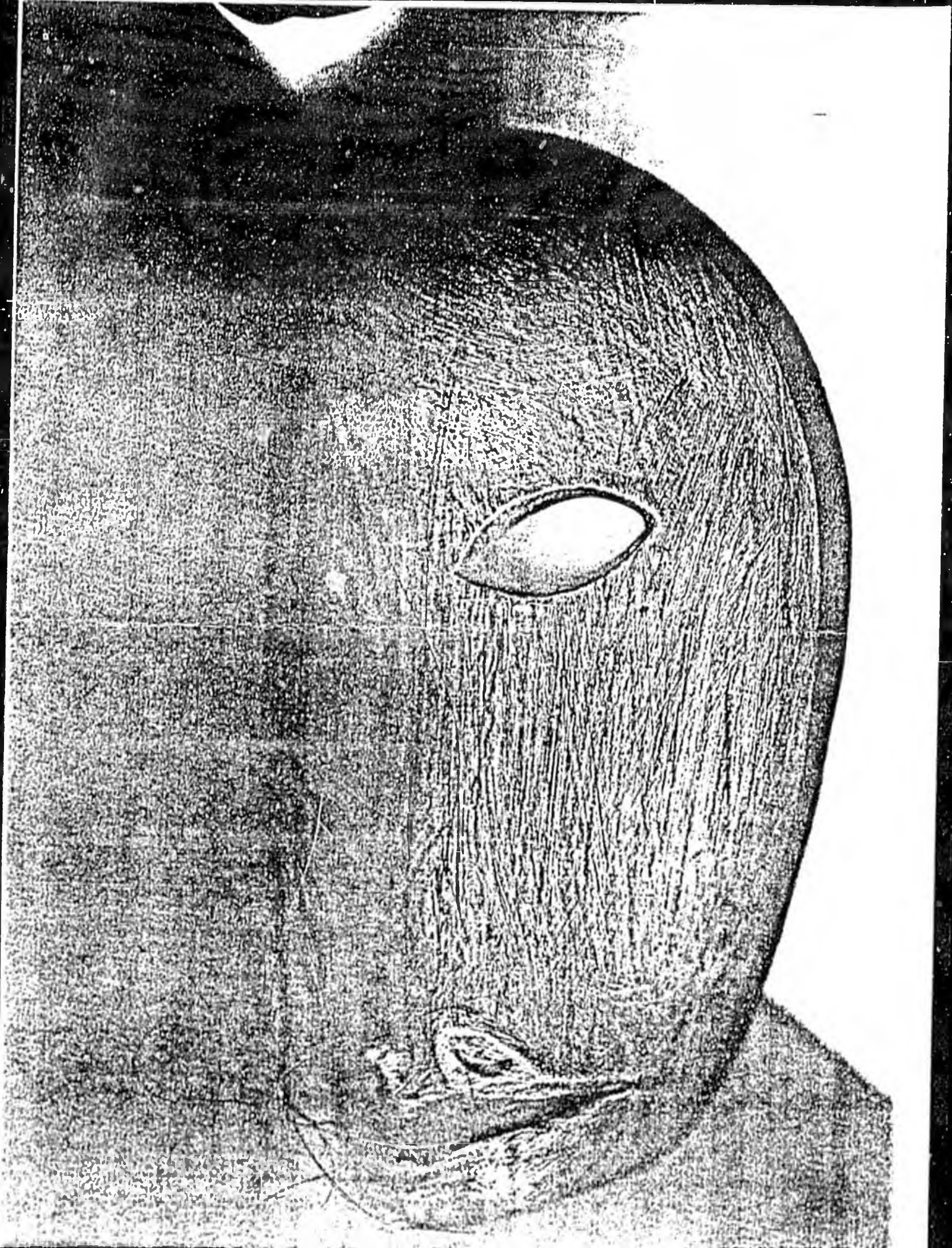
Freight Bill No _____

Signature _____





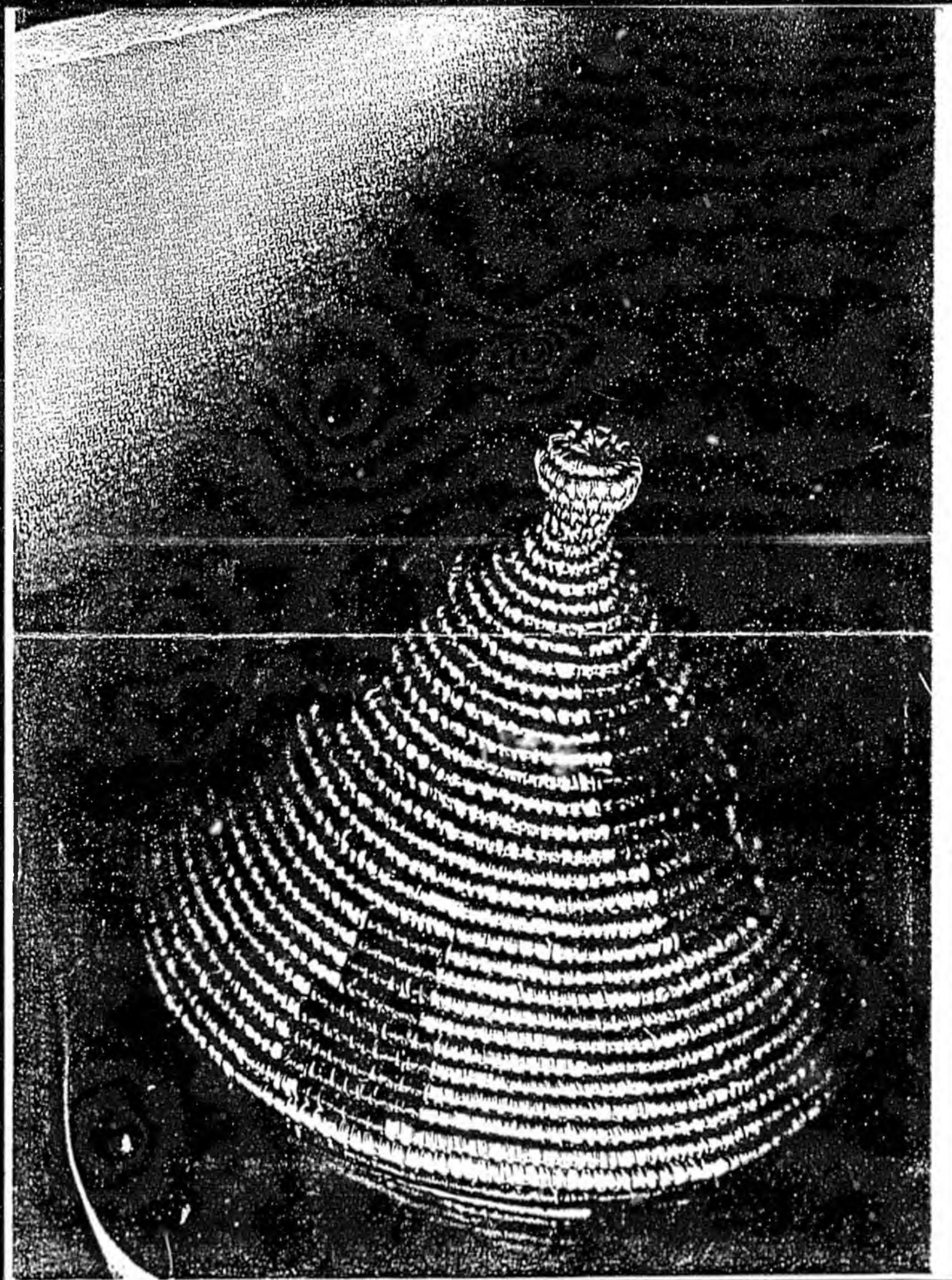


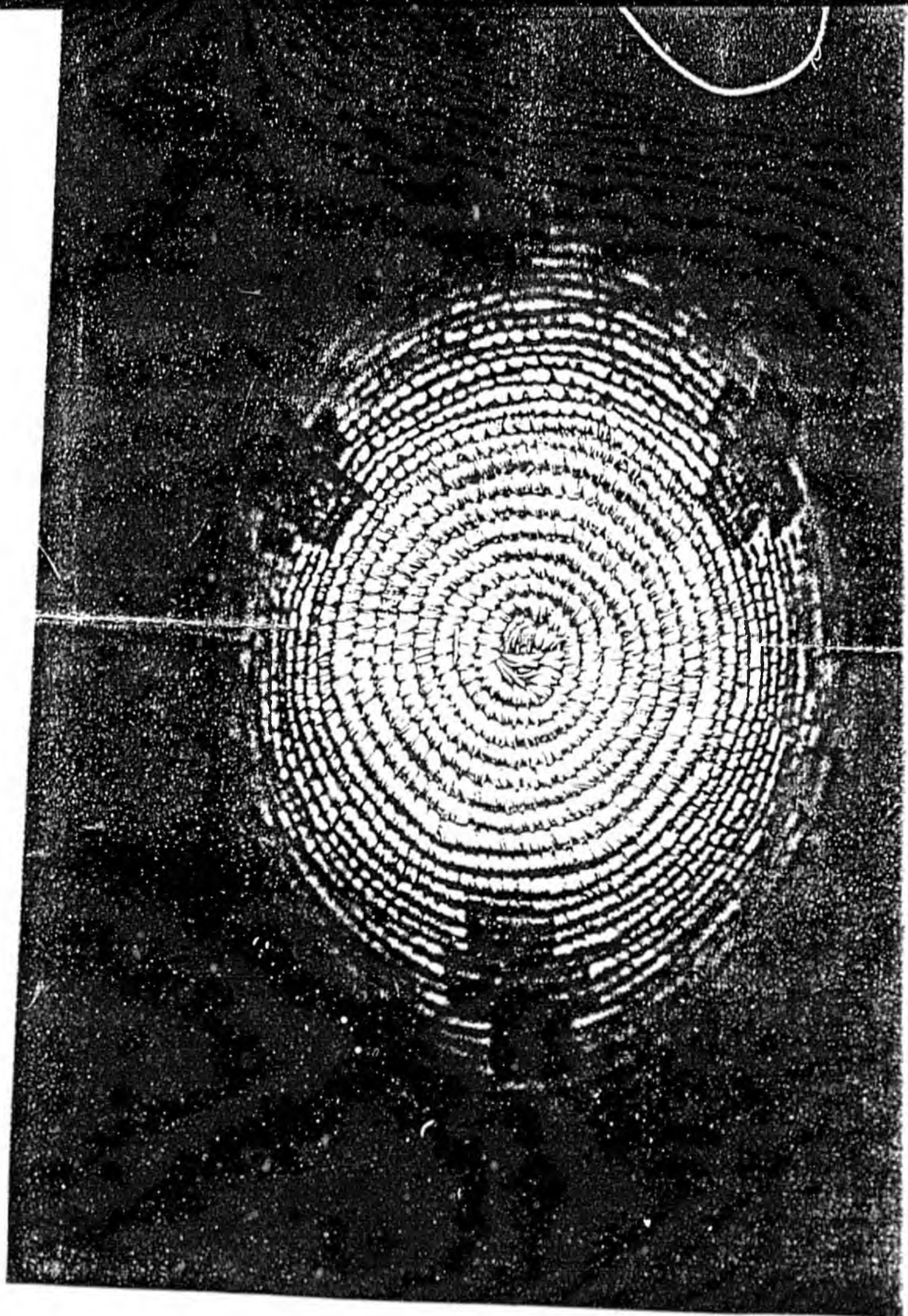


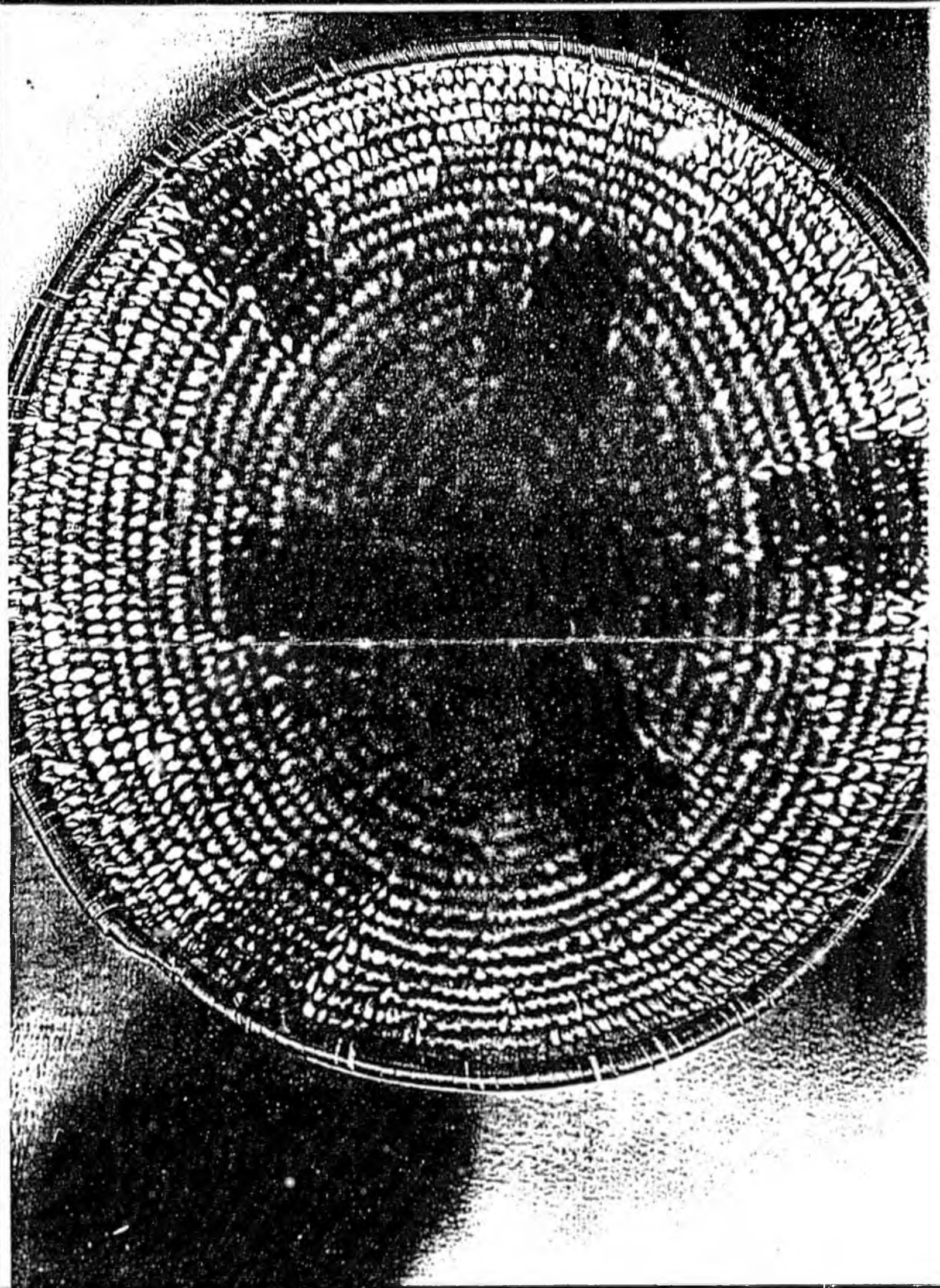
Mary Tooblit
56 yrs. old.
Campbell Washoe
Out of home
Glass Basket.
\$75.00

OVER

No such person
in Campbell
Campbell people
do not make
baskets
Basket made
in Uganda.







For many buyers, for many sellers, nearly Native is near enough

If you're hunting Alaska's gift shops for Native-motif carvings, you might see soapstone pieces by Chupak, Eddy Lyngoc or Ronald Komok.

Native art? Not really.

Chupak is a Cambodian. Lyngoc is a name used by Vietnamese artist Ngoc Ly. Ron Komok is a Native carver who sold the rights to his name to Ly's Seattle carving studio.

Non-Native arts and crafts from Alaska, Seattle and overseas have been and sometimes still are being sold as

Native art. Kurt Tripp, a Seattle businessman, said the Federal Trade Commission in Seattle has been investigating him and Ly about carvings produced in Ly's studio and wholesaled by Tripp.

FTC's Seattle's office has forwarded a proposed settlement to the commissioners in Washington, D.C., said Eleanor Durham, an agency lawyer.

Selling non-Native art as Native work is a deceptive trade practice, which is overseen by the FTC, Durham said. The agency can take civil action against violators.

Other labels saying "made in Alaska" or "Alaska made" guarantee little. Components can be carved or manufactured elsewhere, assembled here and the final product still be tagged as Alaska made, according to the state Commerce Department.

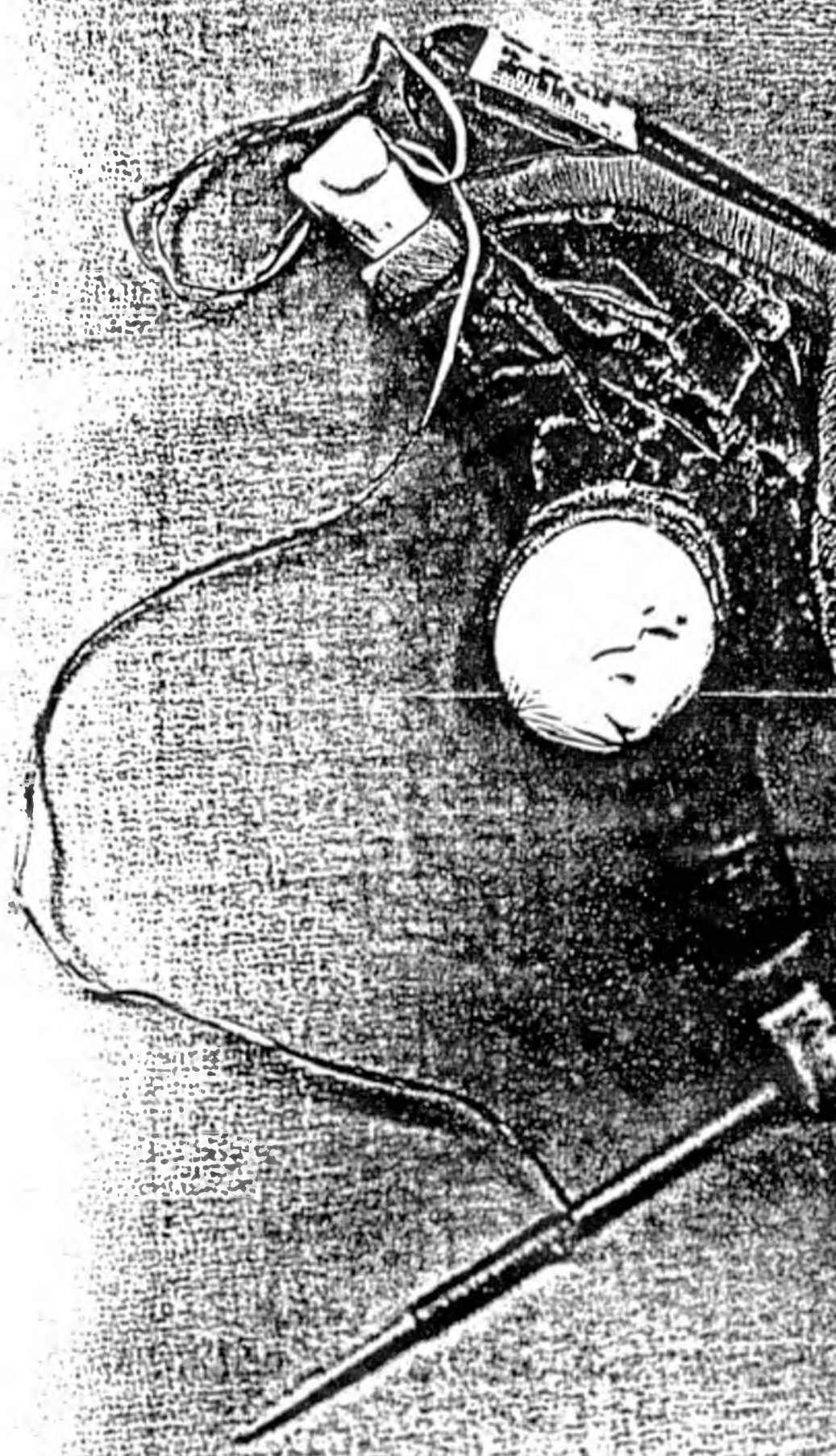
Be wary of soapstone carving. Almost all soapstone is imported; it is not a traditional material used by Alaska Natives.

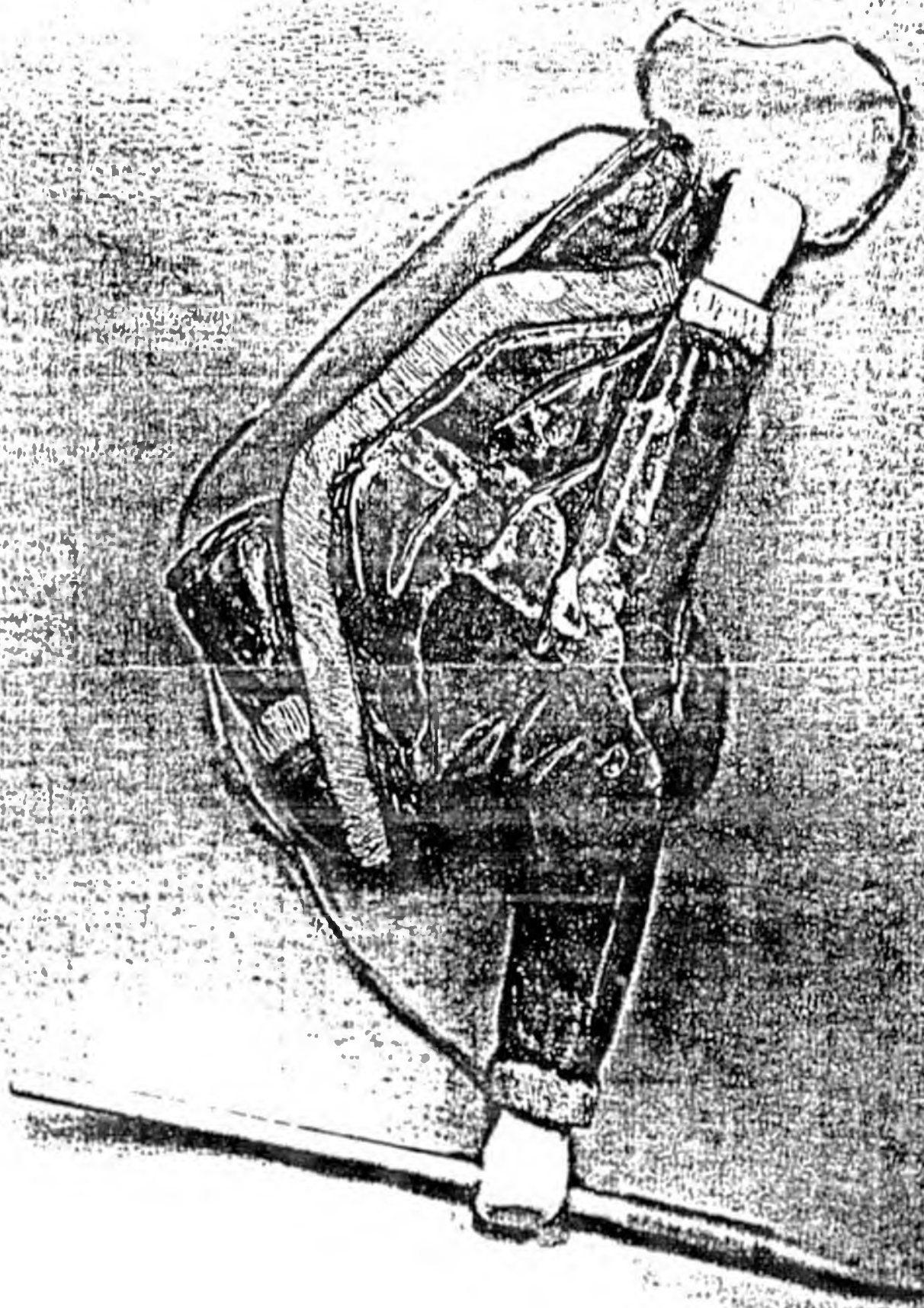
"By in large, 10 percent of the soapstone carvings in the state are made by Eskimos and the rest are not," said Kurt Tripp, whose Ivory Jack Trading Co. is a major art wholesaler.

Shop around and learn about the item you want to buy. Check out art books, museums or other collections to learn about the item you want.

Ron Komok made in Nome JM

example of fraudulent sales receipt Komok sold his name and the article was made in Seattle in Ngoc Ly's factory







Lg soapstone



313003

\$175.00 51

RONKONG

STEVEN P. MICHAEL, J.D., LL.M.

ATTORNEY AT LAW
1031 Southeast Everett Mall Way
EVERETT, WASHINGTON 98208
(206) 347-7777
FAX (206) 348-4331

Also Arizona & Colorado Bars

June 10, 1994

Our file no.

93-12-982

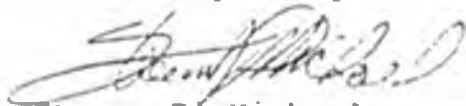
Anchorage, AK

Subject: Alaskan genre stone carvings by artist Chupak

Dear Purchasing Manager:

I am writing on behalf of my client, the artist Chupak, an artist of stone figures and carvings depicting Alaskan genre, to introduce direct supply to interested retailers of his art. Previously, these works were offered only through wholesalers, but the artist now makes the works available directly to you. Legacy of the Past, the business agent for the artist, would appreciate your reply regarding terms and circumstances of your interest. For your reference, an enclosure is supplied showing an example of the artist's work, although each piece is unique and carving is dependent upon the size, shape and characteristic of each stone from which the piece is carved. Please contact Legacy of the Past through Mr. Kosal Pan, per his business card reproduced with the photocopies of the stone art.

Yours very truly,



Steven P. Michael

Enclosure

offer to stone:
to wholesale
pieces. Stories
double the price
or more.

This man (Chupak)
is now claiming
inclusion in Seattle
and also made
a large amount of
Native style work

while living in
Emmerson, AK for
3 mos.

He carved soapstone,
ivory, whale teeth,
and walrus bone.

His work will
retail for a much
higher price in Seattle
as well as in other
places.

CHUPAK

Chivly Chup was born June 2, 1969 in Cambodia. He remembers as if it were yesterday when the Khmer Rouge entered Phnom Penh. They took control of everything and Chivly's parents were forced to work in the fields and the jungle. Food was severely rationed by the communist regime and there was never enough to go around for his family. Most times his parents went without in order that their children had food. His parents became frail and eventually died of starvation.

He went to live with an aunt and uncle who fled Cambodia. When in Thailand the family was placed in a refugee camp along with hundreds of other displaced people. Although uncomfortable, it was safe and he had hope for a future. He was not able to go to school and found himself with a lot of time and very little to do. He began to carve wood, soapstone and sometimes ivory. He carved every day and sold the pieces to tourists that passed by. Not only did the money he made help his family with food but he found that carving made him happy.

At about age 13 and living in the camp, he discovered a picture from Alaska. He was captured by the beauty of the people and fascinated that they looked very much like his own people. Coming from temperatures of over 100 degrees, he had never seen anyone dressed as the Eskimos, never seen snow nor the rare beauty that is found in the remote villages and frozen landscapes of Alaska. He thought to himself, "one day I will go there."

After two years in the camps they received sponsorship from an American family and were flown to the Philippines where they spent another six months. While there he wanted to express his talent in a memorial to the Cambodian people. With no payment for his work he carved a three dimensional piece from cement, approximately 30 feet square. It is called "The Four Faces" and is a carving of four faces pointing toward the north, south, east and west. It is now in a park in the Philippines.

At age 17 Chivly and his family left the Philippines for the United States, settling in the Seattle area, where Chivly was able to attend Edmonds High School. While in high school, he studied more about Alaska and the Eskimo people. He learned their history, culture and art. His sculptures began to reflect the wildlife, scenery and people of Alaska. When Chivly was 20 years old, he was finally able to visit Alaska. The experience was overwhelming to him. Chivly is now in Alaska teaching Eskimos how to utilize modern technology and tools in carving. It goes beyond any dream he has held in his heart.

Chivly married his high school sweetheart, Som Pan, also from Cambodia. They have a little girl named Junie Chup.

Chupak means "The Wind" in Yupik.

(A N U G U R E)

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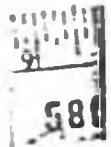
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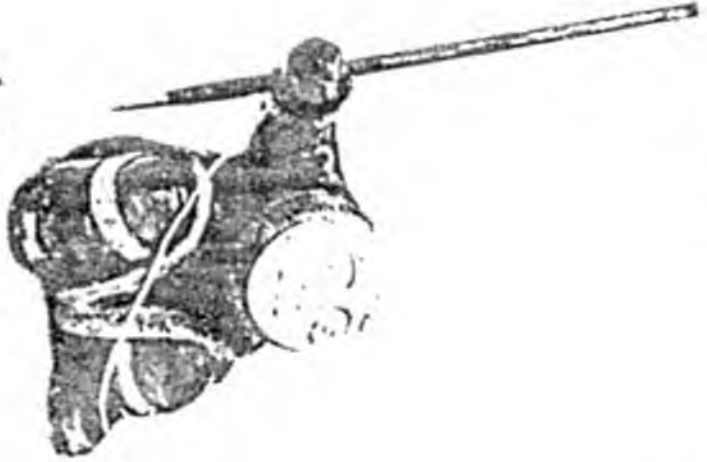


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5

3

1

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3 1/2" \$60⁰⁰ each.



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Happy New Year to all

Our show schedule this winter is hectic! Seattle (at the Seattle Cut Center), January 24-30, is first followed by Anchorage on February 3rd & 4th and Tucson, February 7-9! I'll be in Tucson, Francine & Trista will be in Anchorage & we'll all be in Seattle! Oh! Francine will join me in Tucson on the 7th. The whole show party should prove to be a wild ride!

After many battles in 1995 I think the theme for 1996 will be "Made in Alaska"! "Chupak in Emmonak" was a wonderful experience & very successful, however, Emmo proved too remote & sufficient interest was not found to warrant continuing the project. Chupak has, nonetheless, found a home in Juneau. Artistry will happen at his hand soon and with a newly official "Made in Alaska" certification! Hooray for Chupak! If you have pieces signed "Chupak, Emmonak, Alaska", notify us & we'll send you the appropriate number of "Made in Alaska" stickers!

Also "Made in Alaska": We have an interesting collection of fossil whale bone sculpture made by the talented Inupiat residents of Siishimaref, Alaska. There are wonderful Antler dolls by Nancy Oney, a Yupik from Marsnal, Alaska. Of special note are three new prints by Kuber of Juneau and a new print from Ray Peck, a Tlingit, also from Juneau! We'll have Antler, bone & horn sculpture by Bob Merry & Baer of Anchorage, Lyle Johnson of Soldotna and Chuck Carnahan from Wasilla. Salmon Skin wallets, purses, keychains, checkbook covers & more from Deep Sea Leather of Juneau. Don't forget the soapstone sculpture of Eddle Omnik from Pt. Hope, Alaska (current Seattle resident).

Featured in Seattle will be the more than 500 piece ivory collection of Mr. Bun Anderson, long time Fairbanks resident & part time ivory trader. Most items in his collection are 20 years old and older. A great opportunity! I'll fax you a list if you wish.

In residence for the Seattle show will be Tiny Spencer from Astoria, Oregon (20 years Anchorage resident, big game guide & taxidermist). Tiny founded Tiny Spencer's Wildlife Museum, which he sold to the city of Kotzebue where it is still in operation! He makes the most to die for, custom, hand made, eskimo artifact handled, custom sheathed knives this side of a Bowie Knife, you have ever seen or can even imagine. "Like cut, can you tell?" Come look.

Also in residence for all or part of the Seattle Show will be Gary Dorning, a scrimshander, and Mr. Bob Merry, the Antler sculptor. He makes antler handled Ulus & back scratchers, which are featured in "The great Alaska Catalog".

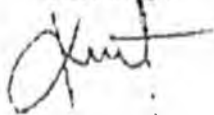
New lines - and some old ones too!

- * Steel Silhouettes - Everyone that ordered this line last season, reordered. Enough said!
- * Winterfly Designs - A small line featuring hand tied fly tacs (for lapel, tie or hat) & earrings.
- * A new refreshing presentation of soapstone sculpture from Canada.
- * A.R.L. Alaska - You know it, you love it, Tlingit Totems, Moppets, Angels & more.
- * Kurt McVay Art Glass - My limited vocabulary is insufficient to describe the results of this gentleman's efforts. However, his works are featured in over 200 galleries in 18 countries! There is a reason for this, see for yourself. Mr. McVay will also be in residence the first few days of the Seattle Show.

- Mammoth & Mastodon Jewelry - Featuring graduated bead necklaces, earrings, broaches & pendants. Excellent quality, great pricing!

There's a lot more too. So come to Seattle or Anchorage or Tucson (the warmest) and check out our recent efforts, have some coffee, visit! Thanks for your time!

Sincerely,

A handwritten signature in cursive script, appearing to read "Kurt".

Kurt

P.S. Check out our garage sale in the back room at the Gift Center showroom too!

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