

## Tobacco Tax Ballot Initiative Update

August 25, 2010

On Tuesday, August 24, the California Cancer Research Act (CCRA) officially qualified to be on the ballot for a statewide election. This ballot initiative is sponsored by the American Lung Association in California, American Cancer Society, American Heart Association and the Campaign for Tobacco-Free Kids. The California Secretary of State determined that enough valid signatures had been collected to approve this ballot initiative for the next statewide election following the November 2010 election. Currently, that would be the presidential primary in February 2012, but it is possible that a special election could be called before then or that the date of the presidential primary will change. Below is an update on the California Cancer Research Act, including a summary of the ballot initiative, background information on the state's cigarette tax and an outline of next steps. For more information about the California Cancer Research Act, visit the American Lung Association in California's [CCRA website](#).

### Summary of the California Cancer Research Act

The California Cancer Research Act would increase California's cigarette tax by \$1.00 per pack and the revenues would be allocated to cancer research, tobacco prevention and enforcement of tobacco related laws. The cigarette tax increase would raise an estimated \$855 million in revenues starting in 2011-12 and declining slightly annually thereafter. In order to offset decreased revenues from an increased cigarette tax, this ballot initiative would backfill Proposition 99, Proposition 10 and other programs funded by existing cigarette taxes.

The revenues from the new tax would be allocated as follows:

- 60 percent to research on prevention, causes and treatment of cancer and other tobacco related diseases
- 20 percent to tobacco prevention and smoking cessation programs
  - 80 percent to the Department of Public Health to support tobacco control programs
  - 20 percent to Department of Education to prevent and reduce use of tobacco products
- 15 percent for facilities and equipment for cancer and tobacco related disease research
- 3 percent for enforcement of tobacco laws
  - 40 percent to the State Board of Equalization for enforcement of tobacco products sales and distribution laws
  - 40 percent to the Department of Public Health for enforcement of laws related to illegal sales to minors
  - 20 percent to the Attorney General for enforcement of tobacco products sales and distribution laws
- 2 percent or less for administrative costs

A Citizens Oversight Committee made up of nine members would be established to allocate the funds that are dedicated to cancer and tobacco related diseases research. The committee would consist of cancer center directors, University of California chancellors, and representatives of disease advocacy organizations.

### Background Information on California's Cigarette Tax

California currently ranks 33rd in the nation with a cigarette tax of 87 cents per pack. The state is one of only three states in the nation that has not raised the cigarette tax since 2002. California's cigarette tax was last increased in 1998, when voters approved Proposition 10 to increase the cigarette tax by 50 cents per pack. If California increased the cigarette tax by \$1.00 per pack, the new \$1.87 tax rate would rank 16th in the nation.

### **Next Steps for the California Cancer Research Act**

California voters will make the final decision on increasing the state's cigarette tax by \$1.00 per pack. On the next statewide election after the November 2010 election, this initiative will be on the ballot and at least 50% of voters must vote in favor of the initiative in order for it to go into effect. In the months leading up to the election, the California Cancer Research Act will be given a proposition number and an official summary by the Attorney General. It is expected that the major tobacco companies will wage an expensive campaign against the California Cancer Research Act. The major tobacco companies spent more than \$62 million in opposition to the last statewide ballot initiative that would have increased the state's cigarette tax (Proposition 86 in 2006).

**Center for Tobacco Policy & Organizing, August 25, 2010**

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*Sources: Information about ballot initiatives is available at the Secretary of State's website, <http://www.sos.ca.gov/elections>.*

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